CITY OF LA PUENTE

NOTICE REGARDING PUBLIC PARTICIPATION IN MEETINGS DUE TO COVID-19

Given the current Shelter in Place Order covering the State of California and social distancing guidelines issued by federal, state and local agencies, the City is implementing the following procedures for participation in City Council meetings, until further notice. Members of the City Council/Successor Agency may participate from a remote location via teleconference.

How to Listen Live to the Meeting

Live Internet Audio: Visit the City's website at http://lapuente.granicus.com/ViewPublisher.php?view_id=2. Click on "Listen to Audio" to hear the live meeting.

Live By Phone: Please dial (872) 240-3212 and enter the following access code: 155-012-189. This is a "listen only" line. To submit a public comment, please see below.

How to Submit Public Comment

Please note that all comments are subject to the same rules as would otherwise apply to speakers at City Council meetings.

In Writing: eComments may be submitted via SpeakUp on the Agendas and Minutes page of the City's website at http://lapuente.granicus.com/ViewPublisher.php?view_id=2. Simply click on "eComment" for the current meeting. Please provide your eComment no later than 2 hours prior to the meeting start time.

By Phone: Please call (626) 855-1576 and you will be selected from the que when it is your turn to speak. The phone line will open 10 minutes prior to the meeting start time. Those wishing to speak must call in prior to the conclusion of the first speaker's remarks.

In Person: Public comment may be provided in-person at City Hall, 15900 E. Main Street. Please note that speakers will not be allowed to remain inside Council Chambers/City Hall to observe the meeting. Social distancing will be strictly enforced and all speakers must wear a face covering and submit to a temperature check, in accordance with the City's adopted Re-Opening Protocols.

American Disability Act Accommodations

Pursuant to the Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the City Council meeting, please contact the City Clerk's Office (626) 855-1500 within 48 hours of the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

The City of La Puente thanks you in advance for taking all precautions to prevent spreading the COVID-19 virus.

REGULAR MEETING OF
LA PUENTE CITY COUNCIL AND SUCCESSOR AGENCY
COUNCIL CHAMBERS
15900 EAST MAIN STREET, LA PUENTE
OCTOBER 13, 2020
7:00 P.M. REGULAR SESSION

CALL TO ORDER

ROLL CALL

COUNCIL/AGENCY MEMBERS: Klinakis, Lewis, Munoz and Solis

PLEDGE OF ALLEGIANCE

PRESENTATIONS – None

ORAL COMMUNICATIONS

If you wish to address the City Council - Successor Agency on an item other than a public hearing matter, please complete the Request for Oral Presentation form and submit it to the City Clerk no later than prior to the conclusion of the first speaker's remarks. (Ordinance No. 06-843.)

BOARDS/COMMISSION/COMMITTEE REPORTS

Council Members provide a report on any Boards/Commission/Committee meetings, listed below, that they have attended or that have occurred.

ORGANIZATION	DEL/ALT	MONTHLY MEETINGS	TIME
California Contract Cities Association	Solis/Munoz	3rd Wednesday	6:30 p.m.
Sanitation District 15 & 21	Klinakis/Vacant	4th Wednesday	1:30 p.m.
League of California Cities L.A. Div.	Solis/Lewis	1st Thursday	6:30 p.m.
City Selection Committee	Klinakis/Lewis	When Necessary	6:30 p.m.
San Gabriel Valley COG	Vacant/Munoz	3rd Thursday	6:00 p.m.
Southern California JPIA	Solis/All Council	4th Wednesday	6:30 p.m.
Foothill Transit Governing Board	Munoz/Lewis	3 times per year or as need	7:30 a.m.
San Gabriel Valley Mosquito & Vector Control District	Vacant	2nd Friday	7:00 a.m.

A. MINUTES OF PREVIOUS CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS

A-1 READ AND APPROVE THE MINUTES OF THE CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS OF SEPTEMBER 22 AND SEPTEMBER 23, 2020

Staff Recommendation: It is recommended that the City Council and Successor Agency waive the reading and approve the Minutes of the City Council and Successor Agency meeting of September 22 and September 23, 2020.

B. PUBLIC HEARINGS BEFORE THE CITY COUNCIL – None

C. UNFINISHED BUSINESS OF THE CITY COUNCIL

C-1 CONSIDERATION OF APPROVAL OF: (1) AGREEMENTS WITH WILLDAN FINANCIAL SERVICES, NORTON ROSE FULBRIGHT US LLP AND HILLTOP SECURITIES, INC.; AND (2) A RESOLUTION APPROVING A SITE LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, A PURCHASE CONTRACT, A PENSION AND OPEB POLICY AND AGREEMENTS WITH WILLDAN FINANCIAL SERVICES, NORTON ROSE FULBRIGHT US LLP AND HILLTOP SECURITIES, INC; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $9,500,000

Staff Recommendation: It is recommended that the City Council: (1) approve agreements with Willdan Financial Services, Norton Rose Fulbright US LLP and Hilltop Securities, Inc. and authorize the City Manager to execute the agreements on behalf of the City; and (2) adopt Resolution No. 20-5588 approving a site lease, a lease agreement, a trust agreement, preliminary official statement, a continuing disclosure agreement, a purchase contract, a Pension and OPEB policy and authorizing certain actions in connection with the execution and delivery of Certificates of Participation in the aggregate principal amount not to exceed $9,500,000.

D. CITY COUNCIL AND SUCCESSOR AGENCY CONSENT CALENDAR

All matters listed under Consent Calendar are considered to be routine in nature and may be enacted by one motion approving the recommendation listed on the Agenda. One or more items may be removed from the Consent Calendar so that said item(s) may be discussed and considered individually by the City Council/Successor Agency, if a motion to remove the item(s) is approved by an affirmative vote of a majority of the members of the City Council/Successor Agency. Those specific item(s) will be considered as the first item under New Business.

D-1 CONSIDERATION OF A RESOLUTION APPROVING WARRANT REGISTER NO. 1497

Staff Recommendation: It is recommended that the City Council and Successor Agency adopt Resolution No. 20-5585 approving Warrant Register No. 1497.

D-2 CONSIDERATION OF A LICENSE AGREEMENT BETWEEN THE CITY OF LA PUENTE AND JESUS RODRIGUEZ FOR THE USE OF CITY PROPERTY LOCATED AT THE INTERSECTION OF VALLEY BOULEVARD AND OLD VALLEY BOULEVARD FOR HOLIDAY SALES

Staff Recommendation: It is recommended that the City Council: (1) approve the License Agreement with Jesus Rodriguez; and (2) authorize the City Manager to execute the License Agreement on behalf of the City.

D-3 CONSIDERATION OF AMENDMENT NO. 2 TO THE MAINTENANCE SERVICES AGREEMENT WITH TANKO LIGHTING, INC. FOR STREET LIGHT MAINTENANCE TO EXTEND THE TERM

Staff Recommendation: It is recommended that the City Council: (1) approve Amendment No. 2 to the Maintenance Services Agreement with Tanko Lighting, Inc.; and (2) authorize the City Manager to execute the Amendment on behalf of the City.

D-4 CONSIDERATION OF AUTHORIZATION TO SOLICIT BIDS FOR BASEBALL FIELD FENCING AT LA PUENTE PARK

Staff Recommendation: It is recommended that the City Council: (1) approve the plans and specifications for Baseball Field Fencing at La Puente Park; and (2) authorize Staff to solicit for bids.

D-5 CONSIDERATION OF APPROVAL OF LOS ANGELES COUNTY FLOOD CONTROL DISTRICT (LACFCD) TRANSFER AGREEMENT FOR THE SAFE, CLEAN WATER PROGRAM (MEASURE W)

It is recommended that the City Council: (1) approve the Los Angeles County Flood Control District Transfer Agreement for the Safe, Clean Water Program – Municipal Program; and (2) authorize the City Manager to execute the Agreement on behalf of the City.

D-6 CONSIDERATION OF A RESOLUTION RESCINDING RESOLUTION NO. 18-5447 AND ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

Staff Recommendation: It is recommended that the City Council adopt Resolution No. 20-5586 rescinding Resolution No. 18-5447 and approving the City's amended Conflict of Interest Code.

E. NEW BUSINESS TO BE CONSIDERED BY THE CITY COUNCIL

E-1 COMMUNITY SERVICES DEPARTMENT UPDATE AND PROGRAM/EVENT PROPOSALS REGARDING THE YOUTH GRANT PROGRAM, THE VETERAN'S DAY CEREMONY, DIA DE LOS MUERTOS EVENT AND CONTINUED CLOSURE OF THE PLAYGROUND AT LA PUENTE PARK

Staff Recommendation: It is recommended that the City Council: (1) approve to temporarily modify the qualifying expenses for the Youth Grant Program to include PPE's, school supplies, first aid essentials, certain food items and home use sports equipment; (2) approve the reformatting of the Veteran's Day Ceremony as a drive thru event that will adhere to public health orders and social distancing protocols; (3) approve the drive thru Dia de los Muertos event that will adhere to public health orders and social distancing protocols; and (4) approve staff's recommendation to keep the playground at La Puente Park closed.

E-2 PRESENTATION AND UPDATE REGARDING LA PUENTE PARK RULES AND USE

Staff Recommendation: It is recommended that the City Council receive and file the presentation.

E-3 PRESENTATION REGARDING COLLABORATION WITH H.E.A.R.T (HEALTHCARE & EMERGENCY ANIMAL RESCUE TEAM)

Staff Recommendation: It is recommended that the City Council receive and file the presentation.

E-4 CONSIDERATION OF A RESOLUTION APPROVING PARTICPATION IN THE LOS ANGELES URBAN COUNTY PERMANENT LOCAL HOUSING ALLOCATION PROGRAM

Staff Recommendation: It is recommended that the City Council: (1) adopt Resolution No. 20-5587 approving participation in the Los Angeles Urban County Permanent Local Housing Allocation Program; and (2) authorize the City Manager to execute all documents necessary to effectuate this matter.

RECESS INTO CLOSED SESSION

1. THE CITY COUNCIL WILL RECESS TO CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (Two potential cases)

2. THE CITY COUNCIL WILL RECESS TO CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION - Initiation of litigation pursuant to Government Code Section 54956.9(d)(4) (One potential case)

RECONVENE TO OPEN SESSION

REPORT OUT OF CLOSED SESSION

ADHOC COMMITTEE REPORTS

Council Members provide a report on any Ad Hoc Committee meetings that they have attended.

	NAME	MEMBERS
1.	Code Enforcement	Klinakis/Lewis
2.	La Puente Park Master Plan and Youth Program Oversight	Munoz/Lewis
3.	Military Banner Recognition Program	Munoz/Solis
4.	Comprehensive Fee Schedule	Klinakis/Solis
5.	Electronic Billboards	Klinakis/Vacant
6.	Education and Puente Pride Commissions	Vacant/Solis
7.	Park Ordinance Oversight	Klinakis/Lewis
8.	Public Health	Klinakis/Lewis
9.	Business Outreach and Reopening	Munoz/Solis

ORAL COMMENTS FROM COUNCIL

ORAL COMMENTS FROM STAFF

ADJOURNMENT

AVAILABILITY
Any writings or documents provided to a majority of the City Council/Successor Agency regarding any item on this agenda will be made available for public inspection at the City Clerk Department at City Hall located at 15900 E. Main Street and the Reference Desk at the Library located at 15920 E. Central during normal business hours. In addition, such writings and documents will be posted on the City's website at http://www.lapuente.org.

AMERICANS WITH DISABILITIES
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by the City, please contact the City Clerk's Office at (626) 855-1500. Notification at least 48 hours prior to the meeting or time when services are needed will assist City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

MEETING TIMES
Meetings of the City Council shall be adjourned no later than 10:30 p.m., unless a motion to supersede the 10:30 time limit to consider some or all of the remaining items listed on the Agenda, or to consider items which have been added to the Agenda in accordance with the provisions of the Ralph M. Brown Act, Government Code Section 54950, et seq., is approved by a majority of the members of the City Council. (Ordinance No. 95-727.)

CERTIFICATION
I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted in accordance with the applicable legal requirements.

Dated this 8th day of October, 2020.

Sheryl Garcia, MMC, CPM
City Clerk

MINUTES
LA PUENTE CITY COUNCIL AND SUCCESSOR AGENCY
REGULAR MEETING OF
SEPTEMBER 22, 2020

Per *Robert's Rules of Order Newly Revised 11th Edition*, minutes are a record of the actions taken by the body. These minutes do not include a summary of the discussion but only reflect the action taken by the body. A complete audio recording of this meeting is available on the City's website www.lapuente.org.

A Regular Meeting of the City Council of the City of La Puente was held in the Council Chambers of City Hall, 15900 East Main Street, La Puente, California, on Tuesday, September 22, 2020, at 7:00 p.m.

CALL TO ORDER

Mayor Klinakis called the meeting to order at 7:01 p.m.

ROLL CALL

Members present:	Klinakis, Lewis (via teleconference), Munoz (via teleconference), Solis.
Members absent:	None.
Staff members present:	City Manager Bob Lindsey, City Attorney Jamie Casso (via teleconference), Director of Administrative Services Troy Grunklee (via teleconference), Director of Development Services John Di Mario, City Clerk Sheryl Garcia, Director of Community Services Roxanne Lerma (via teleconference), Principal Accountant Alex Merkel-Medina, and Management Assistant Cece Dunlap.

PLEDGE OF ALLEGIANCE

Mayor Klinakis led the Pledge of Allegiance.

PRESENTATIONS

Principal Accountant Merkel-Medina introduced Beland Huang, Partnership Specialist with the Los Angeles Regional Census Center of the U.S. Census Bureau, who provided an update regarding the City's self-response rate and presented a Certificate of Participation to the City for their involvement in the 2020 Census.

ORAL COMMUNICATIONS

David Argudo spoke regarding the progress of the La Puente Park and stated that he is running for City Council.

BOARDS/COMMISSION/COMMITTEE REPORTS – None

At the request of Mayor Klinakis, Item E-4 was moved and heard before Item A-1 on the agenda.

E-4 PRESENTATION REGARDING POTENTIAL SAVINGS, BENEFITS, AND RISKS OF BOND ISSUANCE TO FUND PART OR ALL OF UNFUNDED PENSION AND OTHER POST-EMPLOYMENT BENEFITS ("OPEB") LIABILITIES

Director of Administrative Services Grunklee introduced Brian Whitworth, Director of Hilltop Securities, Julie Ann Anopol, Municipal Advisor Principal of Willdan Financial Services, and Russ Trice of Norton Rose Fullbright, who provided the City Council with a PowerPoint presentation regarding a potential bond issuance to fund pension and OPEB liabilities.

Staff was directed to bring the item back at the next City Council meeting with the recommended bond structure, corresponding documents and agreements to move forward with the bond issuance to fund pension and OPEB liabilities.

A. MINUTES OF PREVIOUS CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS

A-1 READ AND APPROVE THE MINUTES OF THE CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS OF AUGUST 25 AND SEPTEMBER 10, 2020

A motion was made by Council Member Solis, seconded by Mayor Klinakis, to waive the reading and approve the Minutes of the City Council and Successor Agency meeting of August 25 and September 10, 2020. The motion carried by the following roll call vote:

AYES:	Klinakis, Lewis, Munoz, Solis
NOES:	None
ABSTAIN:	None
ABSENT:	None

B. PUBLIC HEARINGS BEFORE THE CITY COUNCIL – None

C. UNFINISHED BUSINESS OF THE CITY COUNCIL

C-1 CONSIDERATION OF A RESOLUTION AMENDING THE FISCAL YEAR 2020/21 OPERATING BUDGET IN THE AMOUNT OF $35,000 TO FUND AN ABOVE-GRADE BOWL AT THE IAN C. CALDERON SKATE PARK

At the September 10, 2020, City Council meeting, Council Member Solis requested that this item be brought back for reconsideration to allow Council Member Munoz an opportunity to vote on the item.

Director of Development Services Di Mario provided an update regarding the partnership offer from Spohn Ranch to fund an above-grade bowl at the skate park, and indicated that Spohn Ranch requires a formal commitment from the City before beginning fundraising.

In response to an inquiry by Council Member Munoz, Director Di Mario confirmed that if Spohn Ranch is not able to meet their fundraising benchmark, then the contract with the City is void.

A motion was made by Council Member Munoz, seconded by Council Member Solis, to adopt Resolution No. 20-5582 amending the adopted Operating Budget for Fiscal Year 2020/21 in the amount of $35,000. The motion carried by the following roll call vote:

AYES:	Klinakis, Munoz, Solis
NOES:	None
ABSTAIN:	Lewis
ABSENT:	None

D. CITY COUNCIL AND SUCCESSOR AGENCY CONSENT CALENDAR

Mayor Klinakis pulled Item D-4 for further discussion.

Mayor Pro Tem Lewis pulled Item D-8 for further discussion.

A motion was made by Council Member Solis, seconded by Council Member Munoz, to approve Consent Calendar Items D-1 through D-3 and D-5 through D-7. The motion carried by the following roll call vote:

AYES:	Klinakis, Lewis, Munoz, Solis
NOES:	None
ABSTAIN:	None
ABSENT:	None

D-1 CONSIDERATION OF A RESOLUTION APPROVING WARRANT REGISTER NO. 1496

Action taken: The City Council and Successor Agency adopted Resolution No. 20-5583 approving Warrant Register No. 1496.

D-2 PRESENTATION OF AUGUST 2020 INVESTMENT REPORT

Action taken: The City Council received and filed this report.

D-3 PRESENTATION OF AUGUST 2020 REQUISITION REPORT

Action taken: The City Council received and filed the report.

D-4 PRESENTATION OF AUGUST 2020 BUDGET REPORT

Mayor Klinakis pulled this item for further discussion.

Principal Accountant Merkel-Medina provided an update regarding revenue and expenditures of the 2020 budget.

Action taken: The City Council received and filed the report.

D-5 CONSIDERATION OF AN AMENDMENT TO THE FACILITIES USE AGREEMENT BETWEEN THE CITY OF LA PUENTE AND ST. JOSEPH SCHOOL

Action taken: The City Council: (1) approved Amendment No. 1 to the Facilities Use Agreement between the City of La Puente and St. Joseph School; and (2) authorized the City Manager to execute the Amendment on behalf of the City.

D-6 CONSIDERATION OF AMENDMENT NO. 1 TO THE MAINTENANCE SERVICES AGREEMENT WITH NATIONWIDE ENVIRONMENTAL SERVICES, A DIVISION OF JOE'S SWEEPING, INC., FOR CATCH BASIN CLEANING IN THE AMOUNT OF $90,400.00

Action taken: The City Council: (1) approved Amendment No. 1 to the Maintenance Services Agreement with Nationwide Environmental Services in the amount of $90,400.00; and (2) authorized the City Manager to execute the Amendment on behalf of the City.

D-7 CONSIDERATION OF A RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2020-¬2021 FUNDED BY SB1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

Action taken: The City Council adopted Resolution No. 20-5584 adopting a list of projects for Fiscal Year 2020-2021 funded by SB1: The Road Repair and Accountability Act of 2017.

D-8 CONSIDERATION OF AUTHORIZATION TO SOLICIT BIDS FOR ELECTRICAL IMPROVEMENTS AT LA PUENTE PARK

Mayor Pro Tem Lewis pulled this item for further discussion.

Director of Development Services Di Mario provided a staff report regarding soliciting bids for electrical improvements at the La Puente Park. Discussion ensued regarding the bidding process.

A motion was made by Council Member Solis, seconded by Mayor Klinakis, to: (1) approve the plans and specifications for the Electrical Improvements at La Puente Park; and (2) authorize Staff to solicit for bids. The motion carried by the following roll call vote:

AYES:	Klinakis, Lewis, Munoz, Solis
NOES:	None
ABSTAIN:	None
ABSENT:	None

E. NEW BUSINESS TO BE CONSIDERED BY THE CITY COUNCIL

E-1 PRESENTATION AND UPDATE REGARDING LA PUENTE PARK RULES AND USE

Director of Community Services Lerma provided an update regarding the La Puente Park rules and use.

Due to concerns expressed by Mayor Pro Tem Lewis regarding scheduling of ad hoc committee meetings, Mayor Klinakis requested that Staff strive to schedule meeting times that accommodate all ad hoc committee members.

Action taken: The City Council received and filed the presentation.

E-2 DISCUSSION AND DIRECTION REGARDING CARES FUNDS RECEIVED FROM THE STATE OF CALIFORNIA

Director of Administrative Services Grunklee provided an update regarding Coronavirus Relief Funds (CRF) provided by the State and requested direction from City Council regarding the expenditure of remaining CARES (Coronavirus Aid, Relief, and Economic Security) funds.

Discussion ensued regarding funding for the Great Plates Program and the Business Assistance Grant Program.

Council Member Munoz requested that Staff email City Council with an update on the Los Angeles County rental and mortgage assistance programs and requested that Staff reach out to the County to provide us with the number of La Puente residents that have received assistance from the program. She further recommended that available funds in the future be allocated to the City's Business Assistance Grant program.

Director of Development Services Di Mario noted that Staff has been in communication with the Los Angeles County regarding their rental assistance program and will follow up with them.

In response to an inquiry by Mayor Pro Tem Lewis regarding planned expenditures for Personal Protection Equipment (PPE), Director Grunklee noted the planned expenditures are to ensure that Staff have sufficient PPE such as face masks, hand sanitizers, and gloves.

Mayor Pro Tem Lewis requested that the test kit item of the staff report be brought to the Public Health ad hoc committee for further research and information.

Mayor Pro Tem Lewis further inquired regarding items 6, 8, and 9 of the staff report.

Council Member Munoz inquired regarding food programs that are available for underserved youth. Director of Community Services Lerma noted that schools in the Hacienda La Puente Unified School District are providing meals to all students, and she will look into additional programs that may offer additional meals to underserved youth.

Mayor Klinakis noted that item 9 of the staff report will be a great addition to the community for providing information.

A motion was made by Mayor Klinakis, seconded by Council Member Solis, to authorize the City Manager to approve purchase orders as may be required by the City's Procurement Policy. The motion carried by the following roll call vote:

AYES:	Klinakis, Munoz, Solis
NOES:	None
ABSTAIN:	Lewis
ABSENT:	None

E-3 DISCUSSION AND DIRECTION REGARDING APPROVAL OF LA PUENTE SUPPLEMENTAL SALES TAX REVENUE EXPENDITURE ADVISORY COMMITTEE BYLAWS

At the request of Mayor Pro Tem Lewis at the August 25, 2020, City Council meeting, Director of Administrative Services Grunklee provided a staff report introducing the bylaws for Measure LP Citizens' Oversight Committee.

Mayor Pro Tem Lewis requested that the categories and qualifications for membership under Article II of the bylaws be more specific.

A motion was made by Mayor Pro Tem Lewis, seconded by Council Member Solis, to approve the bylaws. The motion carried by the following roll call vote:

AYES:	Klinakis, Lewis, Munoz, Solis
NOES:	None
ABSTAIN:	None
ABSENT:	None

At the request of Mayor Klinakis, Item E-4 was moved and heard before Item A-1 on the agenda.

E-5 DISCUSSION AND DIRECTION REGARDING DEDICATING THE BASKETBALL COURTS AT LA PUENTE PARK IN HONOR OF COUNCIL MEMBER DANIEL C. HOLLOWAY (COUNCIL MEMBER MUNOZ)

Council Member Munoz requested that the City Council consider naming the new basketball courts at the La Puente Park in honor of Council Member Holloway.

Director of Development Services Di Mario provided information on the protocol for the naming of public facilities and specifically, provisions of City Council Resolution 01-4170.

A motion was made by Mayor Klinakis, seconded by Council Member Solis, to dedicate the basketball courts at La Puente Park in honor of Council Member Daniel C. Holloway, notwithstanding Section 4.b of Resolution 01-4170, given the dedication and selfless service of Council Member Holloway. The motion carried by the following roll call vote:

AYES:	Klinakis, Lewis, Munoz, Solis
NOES:	None
ABSTAIN:	None
ABSENT:	None

RECESS INTO CLOSED SESSION

The City Council recessed into closed session at 9:42 p.m. to discuss items as posted on the agenda.

1. THE CITY COUNCIL WILL RECESS TO CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (One potential case)

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 10:10 p.m.

REPORT OUT OF CLOSED SESSION

City Attorney Casso reported that as to Item 1, direction was given to the City Attorney's office and no final action was taken.

AD HOC COMMITTEE REPORTS – None

ORAL COMMENTS FROM COUNCIL

Mayor Klinakis announced that Council Member Holloway's funeral would be on September 30, 2020, at 10:00 a.m. at the Rose Hills Memorial Park.

Council Member Munoz reported that she received information on the San Gabriel Basin Water Quality Authority special update to be held on October 1, 2020.

ORAL COMMENTS FROM STAFF

City Manager Lindsey reported that the San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy ("RMC") grants have opened for applications. He further reported that Staff is hoping to be one of the first to submit their application, and thanked Staff for their hard work on preparing for the opening of the grant application.

There being no further business before the City Council, Mayor Klinakis adjourned the meeting at 10:14 p.m.

Approved this 13th day of October, 2020.

______________________________	______________________________
Sheryl Garcia City Clerk	Charlie Klinakis Mayor/Chair

MINUTES
LA PUENTE CITY COUNCIL AND SUCCESSOR AGENCY
SPECIAL MEETING OF
SEPTEMBER 23, 2020

Per *Robert's Rules of Order Newly Revised 11th Edition*, minutes are a record of the actions taken by the body. These minutes do not include a summary of the discussion but only reflect the action taken by the body. A complete audio recording of this meeting is available on the City's website www.lapuente.org.

A Special Meeting of the City Council of the City of La Puente was held in the Council Chambers of City Hall, 15900 East Main Street, La Puente, California, on Wednesday, September 23, 2020, at 1:00 p.m.

CALL TO ORDER

Mayor Klinakis called the meeting to order at 1:00 p.m.

ROLL CALL

Members present: Klinakis, Munoz, Solis.

Members absent: Lewis.

Staff members present: City Attorney Jamie Casso and City Clerk Sheryl Garcia.

PLEDGE OF ALLEGIANCE

Mayor Klinakis led the Pledge of Allegiance.

ORAL COMMUNICATIONS – None

RECESS INTO CLOSED SESSION

The City Council recessed into closed session at 1:01 p.m. to discuss items as posted on the agenda.

1. THE CITY COUNCIL WILL RECESS TO CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (One potential case)

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 2:15 p.m.

REPORT OUT OF CLOSED SESSION

City Attorney Casso reported that as to Item 1, direction was given to the City Attorney's office and no final action or votes were taken.

There being no further business before the City Council, Mayor Klinakis adjourned the meeting at 2:16 p.m.

Approved this 13th day of October, 2020.

Sheryl Garcia City Clerk	Charlie Klinakis Mayor/Chair

City of La Puente City Council
AGENDA REPORT

To: Honorable Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: Troy Grunklee, CPA, Director of Administrative Services

SUBJECT: CONSIDERATION OF: (1) APPROVAL OF AGREEMENTS WITH WILLDAN FINANCIAL SERVICES, NORTON ROSE FULBRIGHT US LLP AND HILLTOP SECURITIES, INC.; AND (2) A RESOLUTION APPROVING A SITE LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, A PURCHASE CONTRACT, A PENSION AND OPEB POLICY AND AGREEMENTS WITH WILLDAN FINANCIAL SERVICES, NORTON ROSE FULBRIGHT US LLP AND HILLTOP SECURITIES, INC; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $9,500,000

BACKGROUND

During the September 8th, 2020 Council Meeting, the City's Financing Team proposed to strategize a potential bond for part or all the City's unfunded pension and/or OPEB liabilities. According to CalPERS actuarial and OPEB actuarial studies as of June 30th, 2019, the City's Net Pension Liability was $6,845,330 and the Net OPEB Liability was $3,781,675. In FY2019, the City's total pension and OPEB contributions were $1,177,718 or 6.7% of total governmental fund expenditures.

City staff recommends that a fixed rate Certificates of Participation Certificates be issued on a taxable basis in the aggregate principal amount not to exceed $9,500,000 for the purposes of funding: (i) all or a portion of the City's CalPERS Obligation and/or OPEB liabilities, including normal costs; (ii) a potential reserve for the Certificates (to be decided) and (iii) costs of issuing the Certificates. The final maturity will not exceed 15 years. These Certificates will be issued through a negotiated sale to Hilltop Securities Inc., the underwriter.

The Certificates would be issued by the City under the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code. The Certificates would be issued pursuant to a Trust Agreement (the "Trust Agreement"), by and between the City, Public Property Financing Corporation, and U.S. Bank National Association (the "Trustee").

Public Property Financing Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Lessor"). They were incorporated on April 18, 1991 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporation Code). The Corporation was organized for the primary purpose of providing financial assistance to public agencies in California by acquiring, constructing, improving and financing various facilities, land and equipment, and by leasing facilities, land and equipment for the use of such public agencies.

Debt service on the Certificates would be payable from certain revenues pledged to the payment of the Certificates under the Trust Agreement between the City and the Lessor (the "Trust Agreement"), consisting of rental payments to be made by the City under a lease agreement (the "Lease Agreement") with Public Property Financing Corporation. To allow for this lease arrangement, the City will first enter into a site lease (the "Site Lease") with the Lessor, whereby the City will lease all or a portion of certain property of the City to be specified by City staff (the "Leased Property"). Under the Lease Agreement, and as a means to provide a revenue stream for the debt service on the Certificates, the City would lease the Leased Property from the Lessor and the City would make rental payments in each year in consideration for the use of that property in an amount sufficient to pay the annual principal of and interest on the Bonds. Rent owed to the Public Property Financing Corporation by the City under the Lease Agreement would be assigned to the Trustee pursuant to an assignment agreement between the Public Property Financing Corporation and the Trustee.

DISCUSSION

Given unfunded pension obligations and/or OPEB liabilities of the City, the challenge is how to effectively secure the financial future of the City, its employees, and its retirees while ensuring the delivery of public services and stewardship of public resources. Numerous cities throughout California have recently issued bonds to restructure the payment pattern of their unfunded accrued actuarial liabilities and increase the funding of their pension plan. These proposed Certificates can be an effective tool to achieve among other things, several objectives:

- **Maintain Service Levels:** Reduce chance of service reductions, layoffs, deferred maintenance, etc.
- **Achieve Fiscal Stability:** Change the payment pattern (e.g., a smooth pattern for certificates repayment, vs a sharply increasing pattern with no certificates). Smoother payment patterns make budgeting easier
- **Realize Savings:** Obtain higher expected investment returns on investments at retirement system (e.g., 7%) than borrowing cost (e.g., ~3.5-5.0% as of 6/30/2020)
- **Increase the pension plan's level of funding**
- **Establish a Long-Term Plan;** Incorporate best practices, operate the City on an actuarially sound basis to meet and reduce future pension plan liabilities.

Documents to be Approved. Approval of the attached Resolution of the City Council of the City (the "City Resolution") will provide for the security and source of repayment for the Certificates. The City Resolution, if adopted, would authorize the execution and delivery of the following documents in connection with Bonds, including any modifications recommended by Bond Counsel.

- ***Site Lease.*** The Site Lease will be entered into by the City and the Public Property Financing Corporation. To generate a stream of revenue for the payment of debt service on the Certificates, the City first will lease to the Lessor the Leased Property. No money is exchanged under this document.

- ***Lease Agreement.*** Under the Lease Agreement, by and between the City and the Lessor, the City will lease back from the Lessor the Leased Property and agree to make rental payments to the Lessor thereunder. The Lease provides that the City will make such payments over time in the amounts necessary to repay the Certificates. This document specifies required insurance coverage for the leased property. The City anticipates leasing the Community Center within the City as the Leased Property for the financing. The City will be responsible for the maintenance of the Leased Property during the Lease.

- ***Purchase Contract.*** Under this document, which will be signed the day the Certificates are priced, the Underwriter agrees to purchase all of the Certificates from the City at an established price. Immediately prior to the City's executing the Purchase Contract, the Underwriter will "price" the Certificates in the public market – that is, to identify the interest rate which the Certificates will represent when sold to investors. A final underwriting discount (the Underwriter's compensation) will be established at the same time and incorporated into the terms of the Purchase Contract.

- ***Trust Agreement.*** Under this document, the net proceeds obtained through the execution, sale and delivery of the Certificates will be deposited with the Trustee under this Trust Agreement and used in part by the Lessor to finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities on behalf of the Lessee.

- ***Continuing Disclosure Agreement*** – Pursuant to the Continuing Disclosure Agreement by and between the City and a dissemination agent to be selected by the City Manager, the City will be obligated to provide certain annual financial and operating information and notices of enumerated events to the Electronic Municipal Market Access ("EMMA") website for purposes of complying with Rule 15c2-12 ("Rule 15c2-12") of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

- ***Preliminary Official Statement*** – The Preliminary Official Statements describe the terms of the Certificates, including the security for repayment of the Certificates, the prepayment provisions and other material information, statistics, and summaries from the Trust Agreement and Lease Agreement that prospective purchasers of the Certificates are likely to consider material in making an investment decision. The information, statistics, and summaries included in the Preliminary Official Statement have been provided and/or reviewed by City staff.

- ***Pension and OPEB Policy*** – The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also provides guidance in making annual budget decisions; demonstrates prudent financial management practices; create sustainable and affordable budgets for pensions; reassures bond rating agencies; and show employees and the public how pensions will be funded.

The resolution would also approve the appointment of (a) Norton Rose Fulbright US LLP to perform Bond Counsel and Disclosure Counsel services; (b) Willdan Financial Services to perform Municipal Advisor services; and (c) Hilltop Securities Inc., to serve as Underwriter. The City Manager/Executive Director are authorized and directed to execute services agreements with these financing team members.

FISCAL IMPACT

Debt service on the Certificates will be payable from the City's General Fund. Currently, pension and OPEB obligations are also being paid through the City's General Fund.

RECOMMENDATION

It is recommended that the City Council: (1) approve agreements with Willdan Financial Services, Norton Rose Fulbright US LLP and Hilltop Securities, Inc. and authorize the City Manager to execute the agreements on behalf of the City; and (2) adopt Resolution No. 20-5588 approving a site lease, a lease agreement, a trust agreement, preliminary official statement, a continuing disclosure agreement, a purchase contract, a Pension and OPEB policy and authorizing certain actions in connection with the execution and delivery of Certificates of Participation in the aggregate principal amount not to exceed $9,500,000.

ATTACHMENTS

Attachment "A":	Resolution No. 20-5588
Attachment "B":	Good Faith Estimates
Attachment "C":	Cashflows & Analysis
Attachment "D":	Site Lease
Attachment "E":	Lease Agreement
Attachment "F":	Trust Agreement
Attachment "G":	Preliminary Official Statement
Attachment "H":	Continuing Disclosure Agreement
Attachment "I":	Purchase Contract
Attachment "J":	Pension and OPEB Policy
Attachment "K":	Agreement with Willdan Financial Services
Attachment "L":	Agreement with Norton Rose Fulbright US LLP
Attachment "M":	Agreement with Hilltop Securities, Inc

RESOLUTION NO. 20-5588

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PUENTE, CALIFORNIA, APPROVING A SITE LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, A BOND PURCHASE AGREEMENT; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $9,500,000

WHEREAS, it has been proposed that the Public Property Financing Corporation (the "Corporation") assist the City of La Puente (the "City") in financing all or a portion of the City's outstanding pension and/or OPEB liabilities by causing the execution and delivery of City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) (the "Certificates"); and

WHEREAS, in connection therewith, the City Council of the City (the "City Council") wishes to proceed with a lease financing in the manner set forth in that certain Lease Agreement described below; and

WHEREAS, the City will lease to the Corporation certain real property (the "Leased Premises") pursuant to a Site Lease (the "Site Lease") and the Corporation, concurrently with the execution of the Site Lease, will sublease the Leased Premises back to the City pursuant to a Lease Agreement (the "Lease Agreement") in consideration for rental payments equal to the principal and interest components coming due with respect to the Certificates.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA PUENTE HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

<u>SECTION 1.</u> The City hereby approves the execution and delivery of the Certificates in an aggregate principal amount not to exceed $9,500,000.

<u>SECTION 2.</u> The City hereby approves the Trust Agreement, substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by the Mayor, the City Manager, the Finance Director or their respective designees (each, a "Responsible Officer") with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

<u>SECTION 3.</u> The City hereby approves the Site Lease, substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

<u>SECTION 4.</u> The City hereby approves the Lease Agreement, substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The City hereby approves the Preliminary Official Statement relating to the Certificates, substantially in the form on file with the City Clerk, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of disclosure counsel to the City, in order to make the Preliminary Official Statement final as of its date, except for the omission of certain information, as permitted by Section 240.15c2-12(b)(1) of Title 17 of the Code of Federal Regulations ("Rule 15c2-12"), and any certificate relating to the finality of the Official Statement under Rule 15c2-12. Any Responsible Officer is hereby authorized and directed to execute and deliver an Official Statement in substantially the form hereby approved, with such additions and changes as may be approved by disclosure counsel and the Responsible Officer executing the same, such approval to be conclusively evidenced by the execution and delivery thereof. The distribution of the Preliminary Official Statement and the Official Statement by the Underwriter for the Certificates is hereby approved.

SECTION 6. The City hereby approves the Continuing Disclosure Agreement, substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. The City hereby approves the Bond Purchase Agreement, substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the true interest cost with respect to the Certificates shall not exceed 4.5% per annum, the final maturity of the Certificates shall not exceed 2042, and the underwriter's discount shall not exceed 0.75%.

SECTION 8. The City hereby approves the Pension and OPEB Funding Policy in substantially in the form presented to the City Council, with such revisions, amendments and completions as shall be approved by a Responsible Officer.

SECTION 9. Norton Rose Fulbright US LLP is hereby appointed special counsel and disclosure counsel, Hilltop Securities Inc. is hereby appointed as underwriter for the Certificates, and Willdan Financial Services is hereby appointed as Municipal Advisor and Dissemination Agent, and any Responsible Officer is hereby authorized and directed to enter into professional services agreements with each of the foregoing. The Public Property Financing Corporation is hereby appointed to provide lease-leaseback services in connection with the Certificates transaction.

SECTION 10. Each Responsible Officer and other officers of the City are hereby authorized and directed, jointly and severally, for and in the name on behalf of the City, to execute and deliver any and all agreements, assignments, documents, certificates, bond insurance policies, reserve fund surety policies and other instruments, and to do any and all things and take any and all actions which may be necessary or advisable in their discretion, to carry out and give effect to the actions which the City has approved in this Resolution.

SECTION 11. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 12. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 13th day of October, 2020, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

____
Charlie Klinakis, Mayor

ATTEST:

____
Sheryl Garcia, City Clerk

GOOD FAITH ESTIMATES

The following information was obtained from the Underwriter with respect to the bonds (the "Certificates") approved in the Resolution, and is provided pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Certificates:

1. *True Interest Cost of the Certificates.* Assuming an aggregate principal amount of $8,485,000 of the Certificates are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is 3.582397%.

2. *Finance Charge of the Certificates.* Assuming an aggregate principal amount of $8,485,000 of the Certificates are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is $251,706, as follows:

a)	Underwriter's Discount	$63,638
b)	Credit Enhancement*	[TBD]
c)	Bond Counsel (Disbursements and Expenses)	$54,300
d)	Disclosure Counsel	$39,000
e)	Municipal Advisor and Disbursements	$35,000
f)	Rating Agency (est)	$15,912
g)	Title Company	$12,275
H)	Trustee	$6,000
i)	City Attorney	$5,000
j)	Printer	$2,000
k)	Contingency	$11,082
l)	Public Property Finance Corp	$6,000
m)	Cal Muni	$1,500
n)	Other Expenses	0
	Total	$251,706

* A municipal bond insurance policy with respect to the Certificates will be obtained only if economically advantageous as determined by an Authorized Representative.

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of $8,485,000 of the Certificates are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds less the finance charge of the Certificates described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is $8,233,294.

4. *Total Payment Amount.* Assuming an aggregate principal amount of $8,485,000 of the Certificates are sold and based on market interest rates prevailing at the time of preparation of

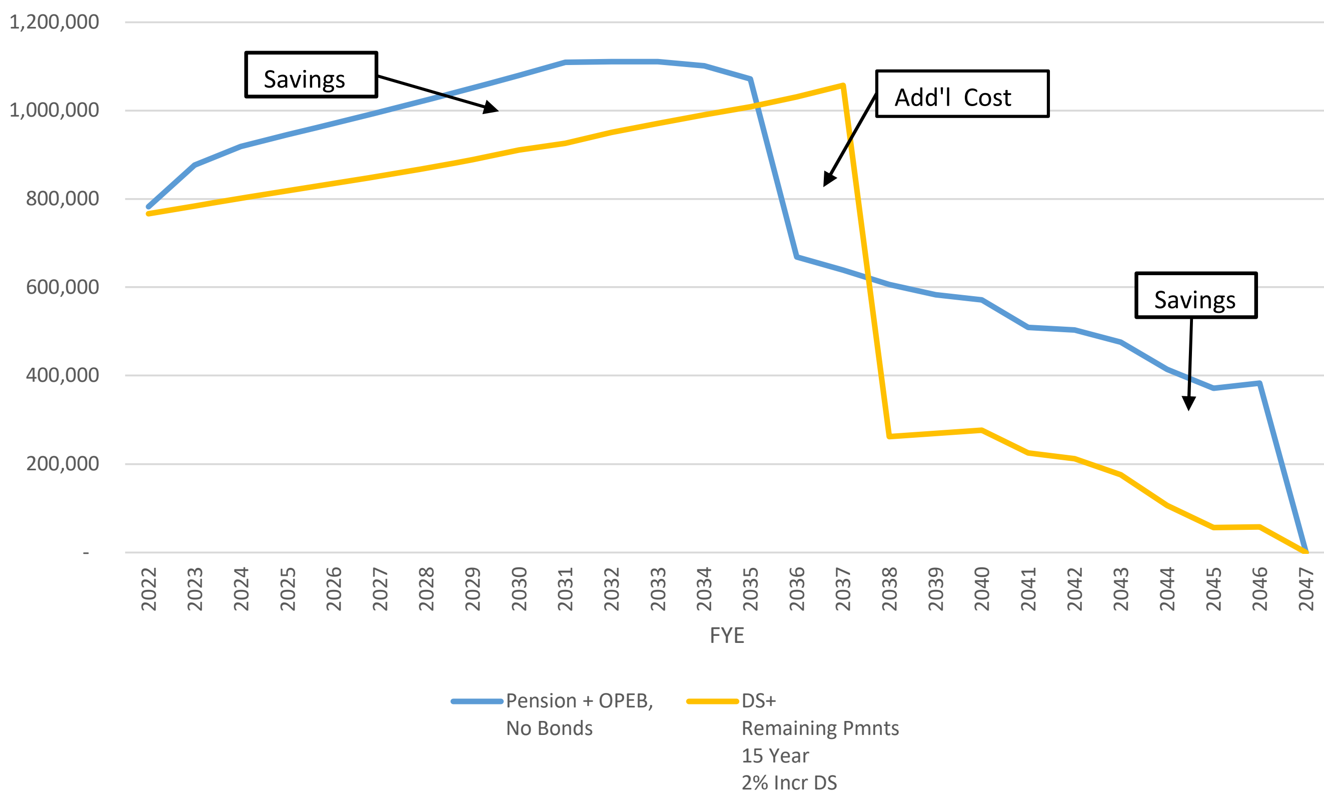
this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Certificates plus the finance charge of the Certificates described in paragraph 2 above not paid with the proceeds of the Certificates, calculated to the final maturity of the Certificates, is $11,095,678

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Certificates sales, the amount of Certificates sold, the amortization of the Certificates sold and market interest rates at the time of each sale. The date of sale and the amount of Certificates sold will be determined by the City based on need for project funds and other factors. The actual interest rates at which the Certificates will be sold will depend on the bond market at the time of each sale. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City’s control.

Payment, FYE	Pension + OPEB, No Bonds	DS+ Remaining Pmnts 15 Year 2% Incr DS	Savings/ (Addl Cost)
2022	782,444	766,677	15,767
2023	876,593	783,488	93,105
2024	918,578	800,834	117,744
2025	945,246	818,459	126,787
2026	970,733	835,152	135,581
2027	996,921	850,933	145,988
2028	1,023,832	870,348	153,484
2029	1,051,474	888,816	162,658
2030	1,079,883	910,565	169,318
2031	1,109,076	926,105	182,971
2032	1,110,537	950,382	160,155
2033	1,111,259	970,914	140,345
2034	1,101,027	990,403	110,623
2035	1,071,987	1,008,877	63,110
2036	668,862	1,031,316	(362,454)
2037	638,567	1,057,495	(418,928)
2038	606,111	262,398	343,713
2039	583,043	269,741	313,302
2040	571,402	277,290	294,112
2041	508,931	225,682	283,250
2042	503,182	212,142	291,039
2043	475,445	176,402	299,043
2044	413,736	106,470	307,266
2045	372,255	56,539	315,716
2046	382,492	58,094	324,398
2047	0	-	-

Total	19,873,615	16,105,520	3,768,095
NPV @3.58%	13,992,358	11,720,176	2,272,182
NPV Savings, % Bond Size			26.8%

*Interest rates estimated as of 10/5/2020



1,200,000
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FYE
Pension + OPEB, No Bonds
DS+ Remaining Pmnts 15 Year 2% Incr DS

AFTER RECORDATION PLEASE RETURN TO:
Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Russell C. Trice, Esq.

SITE LEASE

by and between

CITY OF LA PUENTE,

as Lessor

and

PUBLIC PROPERTY FINANCING CORPORATION,

as Lessee

Dated as of October 1, 2020

THIS IS A FINANCING DOCUMENT:
NO DOCUMENT TRANSFER TAX IS DUE
PURSUANT TO GOVERNMENT CODE SECTION 27383

TABLE OF CONTENTS

Page

SITE LEASE

THIS SITE LEASE, dated as of October 1, 2020 (this "Site Lease"), by and between the CITY OF LA PUENTE, a general law city duly organized and existing under and by virtue of the laws of the State of California (the "City"), as lessor (the "Lessor"), and the PUBLIC PROPERTY FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessee (the "Lessee");

W I T N E S S E T H:

WHEREAS, the Corporation intends to assist the City to finance all or a portion of the Lessor's outstanding pension and/or OPEB liabilities, and to lease certain Leased Property (as defined herein) to the City under a Lease Agreement, dated of even date herewith (the "Lease"), by and between the City and the Corporation, and the City proposes to enter into this Site Lease with the Corporation as a material consideration for the Corporation's agreement to finance all or a portion of the Lessor's outstanding pension and/or OPEB liabilities;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Definitions Unless the context otherwise requires, all capitalized terms used in this Site Lease and not defined herein shall for all purposes of this Site Lease have the meaning specified therefor in the Lease or in the Trust Agreement, dated as of the date hereof (the "Trust Agreement"), by and among the City, the Corporation and U.S. Bank National Association, as trustee (the "Trustee").

SECTION 2. Site Lease The City hereby leases to the Corporation and the Corporation hereby hires from the City, on the terms and conditions hereinafter set forth, the real property situated in the County of Los Angeles, State of California as more particularly described in Exhibit A attached hereto and made a part hereof (the "Leased Property").

SECTION 3. Term The term of this Site Lease shall commence on the Closing Date and shall remain in effect until the term of the Lease expires as provided by Article IV, Section 4.2 thereof, provided, however, that if Lease Payments (as defined therein) due under the Lease remain unpaid at the expiration of the Lease term, or provision shall not have been made for their payment, then this Site Lease shall not terminate until the earlier of (i) __________, 20__, or, if later, (ii) the date on which the City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) (the "Certificates") have been paid in full.

SECTION 4. Rental The City acknowledges receipt from the Corporation as and for rental hereunder the sum of One Dollar ($1.00), on or before the date of delivery of the Certificates to the Certificate holders thereof.

SECTION 5. Purpose The Corporation shall use the Leased Property solely for the purpose of leasing the Leased Property to the City pursuant to the Lease, and for such purposes as may be incidental thereto; *provided*, that in the event of default by the City under the Lease, the Corporation and its assigns may exercise the remedies provided in the Lease.

SECTION 6. Owner in Fee The City covenants, represents and warrants that it is the owner in fee of the Leased Property.

SECTION 7. Substitution of Leased Property From time to time, the City may authorize the Substitution of alternate real property or equipment for the Leased Property, the Removal of real property or equipment from the Leased Property or the addition of real property or equipment to the Leased Property pursuant to the Lease, with the prior written consent of the Certificate holders of the majority in aggregate principal amount of Certificates then Outstanding, only by providing the Trustee with a supplement to the Lease and the satisfaction of certain conditions contained in Article III, Section 3.8 of the Lease. In connection therewith, the City and the Corporation shall enter into a duly recorded amendment or supplement to this Site Lease. If the City effects a substitution of all or a portion of the Leased Property hereunder, all or a designated portion of the Leased Property formerly subjected to this Site Lease shall be released from the lien hereof upon receipt by the Trustee of (a) the written request of the City to that effect, and (b) a further opinion of Special Counsel to the effect that such release will have no material adverse effect upon the Certificate holders. After any such release, the term "Leased Property" shall be defined as the remaining portion of the Leased Property.

SECTION 8. Assignments and Subleases Unless the City shall be in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet the Leased Property, except as provided in the Lease and the Assignment Agreement, without the written consent of the City and the Certificate holders of the majority in aggregate principal amount of Certificates then Outstanding.

SECTION 9. Right of Entry The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property 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 Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property 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 Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the City.

SECTION 11. Default If the Corporation shall be in default in the performance of any obligation of its part to be performed under the terms of this Site Lease, which default continues for 30 Business Days following notice and demand for correction thereof to the Corporation, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; *provided*, that the Trustee acting on behalf of the Certificate holders shall be entitled to control and direct the enforcement of all rights and remedies granted to the City under this Site Lease; and *provided, however*, that so long as any of the Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Trust Agreement shall continue to be paid to the Trustee.

SECTION 12. Quiet Enjoyment The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and the Trust Agreement.

SECTION 13. Waiver of Personal Liability All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation, as a separate legal entity, and the City hereby releases each and every member, director and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member, director or officer of the Corporation 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 Corporation hereunder.

SECTION 14. Taxes The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property (including both land and improvements).

SECTION 15. Eminent Domain If the whole or any part of the Leased Property shall be taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then-unpaid Certificates, including the unpaid principal and interest with respect to any then-Outstanding Certificates and any amounts due to the Trustee, and the balance of the award, if any, shall be paid to the City.

SECTION 16. 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 or 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 17. 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, and, if to the City, addressed to City of La Puente 15900 East Main Street, La Puente, CA 91744, Attention: City Manager, or if to the Corporation, addressed to Public Property Financing Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 9136, Attention: Bill Morton, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 18. Amendment This Site Lease may not be altered, modified or amended except as permitted by Article X of the Trust Agreement or to permit the Substitution or Removal of Leased Property Components pursuant to Article III, Section 3.8 of the Lease and to modify the description of the site on which the Leased Property Components are located.

SECTION 19. No Merger of Interests The leasehold estates under this Site Lease and the Lease shall not merge, whether by the exercise of any right or remedy hereunder or thereunder, by operation of law, or otherwise.

SECTION 20. 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 21. Compliance with Laws and Regulations

(a) The City has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Leased Property (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the City nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the City, any of the Leased Property or the business operations conducted by the City thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No part of the Leased Property is located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Leased Property.

SECTION 22. Environmental Compliance

(a) The City shall not use or permit the Leased Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Leased Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the City shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Leased Property or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) hereof and only to the extent necessary to maintain the improvements on the Leased Property.

(b) The City shall comply with, and shall use its best efforts to cause any tenants, subtenants, agents, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; *provided, however*, that notwithstanding that a portion of this covenant is limited to the City's use of its best efforts, the City shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the City's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Leased Property as provided for in Exhibit A attached hereto, the City shall give prompt written notice thereof to the Corporation and the Certificate holders (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained herein is not true or correct, the City shall defend, indemnify and hold harmless the Certificate holders and the Trustee, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section) consultants' fees, investigation and laboratory fees, liabilities, settlements (five Business Days' prior notice of which the Corporation, Trustee or the Certificate holders, as appropriate, shall have delivered to the City), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Leased Property, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five Business Days' prior notice of which the Corporation, the Trustee or the Certificate holders, as appropriate, shall have delivered to the City), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental Lien for the recovery of environmental cleanup or removal costs. To the extent that the City is strictly liable under any Environmental Regulation, its obligation to the Trustee, the Corporation and the Certificate holders and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this subsection (c) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(d) The City shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 23. Execution 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 lease.

SECTION 24. Third-Party Beneficiaries The Certificate holders and the Trustee are each expressly recognized as third-party beneficiaries under this Site Lease.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City and the Corporation 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 LA PUENTE,
as Lessor

By: ________________________________
City Manager

PUBLIC PROPERTY FINANCING CORPORATION,
as Lessee

By: ________________________________
President

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

TRACT 11273 1/2 VAC ST ADJ ON NW AND LOT COM AT MOST N COR OF LOT 7 BLK B TH S 41 35 W 528.51 FT TH S 48 29 33 E TO W LINE OF GLENDORA AVE TH N THEREON TO A PT S 48 30 20 E FROM BEG TH N 48 30 20

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

On ______________________________ before me,__________________________(insert name of the officer), Notary Public, personally appeared _________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_________________________________ [Seal]

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

On ______________________________ before me,__________________________(insert name of the officer), Notary Public, personally appeared _________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____

AFTER RECORDATION PLEASE RETURN TO:
Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Russell C. Trice, Esq.

LEASE AGREEMENT

by and between

PUBLIC PROPERTY FINANCING CORPORATION,

as Lessor

and

CITY OF LA PUENTE,

as Lessee

Dated as of October 1, 2020

THIS IS A FINANCING DOCUMENT:
NO DOCUMENT TRANSFER TAX IS DUE
PURSUANT TO GOVERNMENT CODE SECTION 27383

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of October 1, 2020 (this "Lease"), by and between the PUBLIC PROPERTY FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Lessor"), and the CITY OF LA PUENTE, general law city duly organized and existing under the laws of the State of California, as lessee (the "Lessee");

W I T N E S S E T H:

WHEREAS, Section 37350 *et seq.* of the Government Code of the State of California (the "Government Code") provides that the Lessee may enter into a lease agreement for real and personal property in the State of California (the "State"); and

WHEREAS, concurrently herewith the Lessor will execute and deliver $[Par Amount] in aggregate principal amount of its City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) (the "Certificates") supported by lease payments (the "Lease Payments") and prepayments (the "Prepayments") to be made by the Lessee under this Lease with respect to the Leased Property (as defined below); and

WHEREAS, the Certificates are being executed, delivered and secured under a Trust Agreement, dated as of October 1, 2020 (the "Trust Agreement"), by and among the Lessee, the Lessor and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, to finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities, the Lessee proposes to enter into a Site Lease, dated as of October 1, 2020 (the "Site Lease"), with the Lessor, wherein the Lessee will lease to the Lessor certain real property and improvements belonging to the Lessee (collectively, the "Leased Property," as more particularly described in Exhibit B hereto); and

WHEREAS, the Lessor now proposes to lease the Leased Property back to the Lessee and the Lessee proposes to lease the Leased Property from the Lessor pursuant to this Lease; and

WHEREAS, the Lessor has assigned its rights, title and interest under this Lease, subject to certain exceptions, to the Trustee under the Assignment Agreement, dated as of October 1, 2020 (the "Assignment Agreement"), between the Lessor and the Trustee, as security for the Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction Unless the context otherwise requires, the capitalized terms used herein but not defined in this Lease shall, for all purposes of this Lease, have the meanings specified in the Trust Agreement, together with any amendments thereof or supplements thereto permitted to be made thereunder; and the additional terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Lease, refer to this Lease as a whole. References to the Lease Payment Fund and the Prepayment Fund shall refer to the Lease Payment Fund and Prepayment Fund established and created under the Trust Agreement.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the date of delivery, by and between the Lessee and the dissemination agent named therein, and any duly authorized and executed amendments or supplements thereto.

"Environmental Regulations" shall mean all Laws and Regulations, as defined in Article II, Section 2.1(k)(1) herein, now or hereafter in effect, with respect to Hazardous Materials, as defined in, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, *et seq.*) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, *et seq.*) (together with regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, *et seq.*) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, *et seq.*) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, *et seq.*) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 *et seq.*) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Governing Board" when used with reference to the Lessee means the City Council of the Lessee.

"Hazardous Materials" shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

"Insurance Consultant" means an individual or firm employed by the Lessee as an independent contractor, experienced in the field of risk management.

"Laws and Regulations" shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

"Lease Payment Date" means _______ and ________ of each year, commencing ___________.

"Leased Property" means the personal and real property, which is the subject of the Site Lease comprising those parcels described in Exhibit B hereto.

"Release" shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

"Removal" means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, as provided in Article III, Section 3.6 hereof.

"Site Lease" means the Site Lease, dated as of October 1, 2020, by and between the Lessor, as lessee thereunder, and the Lessee, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

"State" means the State of California.

"Substitution" means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, and the lease of substituted real property and Improvements and/or equipment, if any, hereunder and under the Site Lease, as provided in Article III, Section 3.6 hereof.

SECTION 1.2 Exhibits The following Exhibits are attached to, and by this reference incorporated into and made a part of, this Lease: Exhibit A – Schedule of Lease Payments to be made by the Lessee to the Lessor; Exhibit B – Legal Description of Leased Property.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of Lessee The Lessee represents, covenants and warrants to the Lessor as follows:

(a) Due Organization and Existence The Lessee is duly organized and validly operating as a general law city under the Constitution and laws of the State.

(b) Authorization; Enforceability The Constitution and laws of the State authorize the Lessee to enter into this Lease, the Site Lease, the Trust Agreement and the Continuing Disclosure Agreement (collectively, the "Agreements") and to enter into the transactions contemplated by and to carry out its obligations under all of the Agreements, and the Lessee has, concurrently with the execution hereof, duly authorized and executed all of the Agreements. The Agreements constitute legal, valid and binding obligations of the Lessee, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Defaults Neither the execution and delivery of the Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrances whatsoever upon any of the property or assets of the Lessee.

(d) Indemnification of Lessor The Lessee covenants to indemnify and hold harmless the Lessor and its directors and employees, and the Trustee, as assignee and with regard to its own rights (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Lease, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Lease.

(e) Execution and Delivery The Lessee has taken all actions required to authorize and execute this Lease in accordance with the Constitution and laws of the State.

(f) Reserved

(g) No Litigation There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessee in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessee to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(h) Essentiality of the Leased Property The Leased Property is essential to the operations of the Lessee.

(i) Reserved

(j) Compliance with Laws and Regulations

(1) The Lessee has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Leased Property (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the Lessee nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of

the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Lessee, any of the Leased Property or the business operations conducted by the Lessee thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(2) Excluded from the representations and warranties in subsection (1) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(3) No Leased Property located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Leased Property.

(k) Environmental Compliance

(1) The Lessee shall not use or permit the Leased Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Leased Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Lessee shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Lessor, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Leased Property or other property, in compliance with all Environmental

Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (4) hereof and only to the extent necessary to maintain the improvements on the Leased Property.

(2) The Lessee shall comply with, and shall use its best efforts to ensure that any tenant's subtenants, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; provided, however, that notwithstanding that a portion of this covenant is limited to the Lessee's use of its best efforts, the Lessee shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Lessee's obligations contained in subsection (3) hereof as provided in subsection (3) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Leased Property, the Lessee shall give prompt written notice thereof to the Lessor (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(3) Irrespective of whether any representation or warranty contained herein is not true or correct, the Lessee shall defend, indemnify and hold harmless the Trustee and the Certificate Holders, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section, consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Lessor, Trustee shall have delivered to the Lessee), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Leased Property, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Lessor, the Trustee shall have delivered to the Lessee), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or subsection (1) or (2) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Lessee is strictly liable under any Environmental Regulation, its obligation to the Trustee, the Certificate Owners and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this subsection (3) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(4) The Lessee shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair,

and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

(l) No Condemnation The Lessee hereby covenants and agrees, to the extent it may lawfully do so, that as long as any of the Certificates remain Outstanding and unpaid, the Lessee will not exercise the power of condemnation with respect to the Leased Property. The Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Lessee should fail or refuse to abide by such covenant and condemns the Leased Property, the appraised value of the Leased Property shall not be less than the greater of (i) if such Certificates are then subject to prepayment, the Principal Component and the Interest Component of the Certificates Outstanding through the date of their prepayment, or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Trust Agreement.

SECTION 2.2 Representations, Covenants and Warranties of Lessor The Lessor represents, covenants and warrants to the Lessee as follows:

(a) Due Organization and Existence; Enforceability The Lessor is a nonprofit public benefit corporation duly organized and existing under the laws of the State, and has the power to enter into this Lease, the Assignment Agreement, the Site Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid Agreements. This Lease, the Site Lease, the Assignment Agreement and the Trust Agreement constitute the legal, valid and binding obligations of the Lessor, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Encumbrances The Lessor will not pledge or assign the Lease Payments or other amounts derived from the Leased Property and from its other rights under this Lease except the Lessor may create, assume or suffer to exist Permitted Encumbrances provided under the terms of this Lease, the Assignment Agreement and the Trust Agreement.

(c) No Violations Neither the execution and delivery of this Lease, the Assignment Agreement, the Site Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws creating the Lessor or any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing. Unless otherwise agreed to in writing by the Certificate Holders of the majority in aggregate principal amount of the Certificates then Outstanding, no lien on the Leased Property (except laborers' and mechanics' liens) senior to the lien established hereby shall be permitted.

(d) No Assignment Except as provided herein, in the Assignment Agreement and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section; provided, however, that Lessor shall, with the prior written consent of the Certificate Holders of the majority in aggregate principal amount of the Certificates then Outstanding, have the absolute right to assign this Lease and its rights and obligations hereunder to any other such person, firm or corporation if the Lessee first obtains an opinion of Special Counsel to the effect that such assignment shall not cause the Interest Component to be subject to federal income taxation.

(e) Execution and Delivery The Lessor has duly authorized and executed this Lease and the Site Lease in accordance with the Constitution and laws of the State.

(f) No Litigation There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessor in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessor to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(g) Cooperation The Lessor shall cooperate fully with the Lessee at the expense of the Lessee in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of this Lease and shall cooperate fully with the Lessee in contesting any lien filed or established against the Leased Property, upon the request and at the expense of the Lessee pursuant to Article V of this Lease.

ARTICLE III

DEPOSIT OF MONEYS; APPLICATION OF PROCEEDS

SECTION 3.1 Deposit of Moneys To induce the Lessee to lease the Leased Property from the Lessor and to assure the Lessee that the moneys needed to finance the purposes for which the Certificates are being executed and delivered will be available for such purpose without delay, the Lessor shall, on the Closing Date, cause moneys to be deposited with the Trustee as follows: (1) an amount equal to that set forth in Article II, Section 2.7(b) of the Trust Agreement shall be deposited into the Project Fund and distributed further as provided in the Trust Agreement, and (2) the balance of the proceeds of sale of the Certificates for the Lessee shall be deposited into the Costs of Delivery Fund, as otherwise particularly set forth in Article II, Section 2.7 of the Trust Agreement. All moneys held under the Trust Agreement shall be invested in accordance with the restrictions set forth in Article VIII, Section 8.2 thereof.

SECTION 3.2 Application of Proceeds The parties hereto agree that the net proceeds of the Certificates shall be used to finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities and to pay the costs of executing and delivering the Certificates and incidental and related expenses.

SECTION 3.3 Reserved

SECTION 3.4 Reserved

SECTION 3.5 Leased Property The Leased Property is the subject of the Site Lease and shall be deemed to be and is subleased under this Lease. The Lessee has leased the Leased Property to the Lessor in consideration, in part, for the Lessor's promise to cause the acquisition, delivery, installation, equipping, remodeling or construction of the Leased Property.

SECTION 3.6 Lessee to Act as Agent for the Lessor

(a) Each item to be leased hereunder as a part of the Leased Property is of a category eligible for leasing by the Lessee. The Lessor shall not be accountable for the acts of the Lessee as its agent hereunder and the Lessee hereby assumes total responsibility for the performance of its duties hereunder.

(b) The Lessee, for One Dollar ($1.00) and other good and valuable consideration in hand received, does hereby accept the appointment as agent of the Lessor for the purposes set forth in this Section.

SECTION 3.7 Reserved

SECTION 3.8 Substitution of Alternate Leased Property and Release of Leased Property

(a) The Lessee shall have the right to substitute alternate property for the Leased Property provided for in Exhibit B hereto, if expressly agreed to in writing by the Certificate Holders of the majority in aggregate principal amount of the Certificates then Outstanding or add additional real property and/or personal property and/or equipment to the Leased Property, but only by providing the Trustee with a duly recorded amendment or supplement to this Lease in accordance herewith. All costs and expenses incurred in connection with any such substitution or addition shall be borne by the Lessee. Notwithstanding any substitution or addition pursuant to this Section, there shall be no reduction in or abatement of the Lease Payments due from the Lessee hereunder as a result of such substitution.

(b) If the Lessee substitutes any alternate real property, or equipment, as applicable, or Improvement for the Leased Property or adds additional components to the Leased Property, written notice of such substitution or addition shall be delivered by the Lessee and to all Rating Agencies, if any, then rating the Certificates, the Certificate Holders and the Trustee. The Lessee shall not substitute alternate real property or equipment, as applicable, or Improvements for the Leased Property or add an additional component to the Leased Property, without first obtaining (i) an opinion of Special Counsel to the effect that such substitution or addition shall not, in and of itself, impair the exclusion from gross income for federal income tax purposes of interest payable with respect to the Certificates and, (ii) a certificate of the Lessee (A) stating that the annual fair rental value of the Leased Property after the Substitution or Removal, in each year during the remaining term of this Lease, is at least equal to the maximum annual Lease Payments during the remaining term of the Lease, (B) demonstrating that the useful life of the Leased Property after Substitution or Removal equals or exceeds the remaining term of this Lease, and (C) stating that the Leased Property after a Substitution or Removal is as essential to the operations of the Lessee as was the Leased Property immediately prior to such Substitution or Removal.

(c) In the event of a Substitution or Removal, there shall also be delivered to the Lessor and the Trustee (i) a policy of title insurance in an amount equal to the same proportion of the principal amount as the Principal Components of the Lease Payments attributable to the remaining portion of the real property portion of the Leased Property or the Substituted Leased Property bears to the total Principal Components of Lease Payments, insuring the Lessee's leasehold interest in the Substituted Leased Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making such policy payable to the Trustee for the benefit of the Certificate Holders and relating to this Lease and evidence that no prior liens exist with respect to such Substituted Leased Property subject only to Permitted Encumbrances, (ii) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected, and (iii) in all instances, evidence that the Substitution or Removal, in and of itself, has not caused or will not cause a downgrade or withdrawal of the then-existing credit ratings on the Certificates.

ARTICLE IV

AGREEMENT TO LEASE; TERMINATION OF LEASE; LEASE PAYMENTS; TITLE TO THE LEASED PROPERTY

SECTION 4.1 Lease The Lessor hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Lessor, upon the terms and conditions set forth in this Lease.

SECTION 4.2 Term of Agreement The "Term" of this Lease shall mean the duration of this Lease for the Leased Property, which shall commence on the Closing Date and shall terminate on ___________ 1, 20__, unless earlier terminated in accordance with the following paragraph, provided, however that if Lease Payments remain unpaid at the expiration of the Lease Term, or provision shall not have been made for their payment, then this Lease shall not terminate until the earlier of (i) _________ 1, 20__ [10 years following stated termination] (ii) the date on which the Certificates have been paid in full or (iii) the expiration of the term of the Lease in the event this Lease shall have been amended pursuant to Article VIII, Section 8.3 hereof, unless such term is sooner terminated as hereinafter provided; and provided further, however, that there shall be terminated with respect to the Leased Property, the entirety of Lessor's interest which is transferred to the Lessee upon the end of the useful life of the Leased Property in the same manner, as provided in Article IV, Section 4.5(b) with respect to the transfer of the Leased Property at the end of the Term. If by _________ 1, 20__ [10 years following stated termination] the Certificates shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then such Term of this Lease shall be extended until ten days after all Certificates shall be fully paid, except that the Term of this Lease shall in no event be extended beyond the maximum period permitted by law. If all Certificates shall be fully paid, the Term of this Lease shall end ten days thereafter or ten days after written notice by the Lessee to the Lessor, whichever is earlier.

The Term of this Lease shall end upon the earliest of any of the following events: (a) a default by the Lessee and the Lessor's subsequent election to terminate this Lease under Article IX, Section 9.2(b); (b) the payment by the Lessee of all Lease Payments required under Article IV, Section 4.3 hereof and any Additional Payments required under Article IV, Section 4.6

hereof; (c) the deposit of moneys or Defeasance Obligations with the Trustee in amounts sufficient to pay all of the Lease Payments as the same shall become due, as provided by Article X, Section 10.1 hereof; or (d) upon the exercise by the Lessee of its option to purchase the entire interest of the Lessor in the Leased Property as provided in Article IV, Section 4.5(c) hereof and payment of all amounts provided for hereunder provided, however, the covenants of the Lessee under Article V, Section 5.9 shall survive for as long as such matters are relevant to the exclusion of the Interest Component of the Lease Payments from gross income for federal income tax purposes.

SECTION 4.3 Lease Payments

(a) Obligation to Pay

(1) Time and Amount Subject to the provisions of Article VI and Article X hereof, the Lessee agrees to pay to the Lessor, its successors and assigns, as rental for the use and possession of the Leased Property, the Lease Payments in the amounts specified in Exhibit A hereto, to be due and payable on each Lease Payment Date, which are intended to be sufficient in both time and amount to pay the Principal Components and Interest Components with respect to the Certificates due on the next Interest Payment Date. Delinquent Lease Payments, if any, shall be made to the Trustee for application in accordance with the Trust Agreement.

Lease Payments shall be paid from any source of legally available funds of the Lessee, and so long as the Leased Property, or a sufficient portion thereof, is available for the use, the Lessee covenants to take such action as may be necessary to include all Lease Payments due hereunder in its budgets and to make the necessary appropriations for all such Lease Payments and Additional Payments. During the Term hereof, the Lessee will furnish to the Trustee upon request, no later than twenty (20) days following the adoption of the budget for its then-current fiscal year, and prior to the beginning of the fiscal year, a certificate of the Authorized Representative to the effect that amounts stated in the Lessee's proposed annual budget for the payment of Lease Payments due under this Lease in the fiscal year covered by such budget and approved by the Governing Board are fully adequate for the payment of all Lease Payments due under this Lease in such fiscal year, in the form of Exhibit D to the Trust Agreement as provided in Article XI, Section 11.2 of the Trust Agreement. The covenants on the part of the Lessee herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the Lessee 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 Lessee to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the Lessee.

(2) Credits Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X, Section 10.2 hereof and other amounts required for payment of the Principal Components and Interest Components with respect to any Certificates not presented for payment) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease

Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid and are to be used for such purpose. At such time as the moneys on hand in the Lease Payment Fund are equal to all Lease Payments remaining unpaid hereunder, such moneys shall be applied by the Trustee, pursuant to Article XIV, Section 14.1 of the Trust Agreement, to such Lease Payments on behalf of the Lessee and the Lessee shall not be required to make any further Lease Payments hereunder. A Lease Payment payable on a Lease Payment Date is consideration for the use and possession of the Leased Property to the next succeeding Lease Payment Date.

(3) No Withholding Notwithstanding any dispute between the Lessor and the Lessee, including any dispute as to the failure of any Leased Property Component to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

(b) Terms and Effect of Prepayment and Purchase of the Leased Property

(1) Optional Prepayment The Lessee shall have the option to prepay in whole or in part on any date on and after _________ 1, 20__ any portion of then unpaid Principal Components of its Lease Payments due on or after ________ 1, 20__ at the prepayment price of their principal amount, plus accrued interest on such unpaid Principal Component of Lease Payments to the date of prepayment.

(2) In Whole; Exercise of Purchase Option If the Lessee exercises its option to purchase the entire interest of the Lessor in the Leased Property in accordance with Article IV, Section 4.5(c) hereof by prepaying all remaining Lease Payments either by irrevocably making a security deposit with the Trustee as provided in Article X, Section 10.1 hereof or from Net Insurance and Condemnation Proceeds as provided in Article X, Section 10.2 hereof, the Lessee's obligations under this Lease shall thereupon cease and terminate, including but not limited to the Lessee's obligations to continue to pay Lease Payments under this Section.

(3) In Part If the Lessee prepays less than all of the remaining Principal Components of the Lease Payments pursuant to this Section or from Net Insurance and Condemnation Proceeds pursuant to Article X, Section 10.2 hereof, or pursuant to Article X, Section 10.3 hereof, the amount of such prepayment shall be applied proportionately over the remaining Term to reduce the Principal Components of the Lease Payments. Upon prepayment the Authorized Representative of the Lessee shall prepare (or cause to be prepared) a revised schedule of Lease Payments which schedule shall take into account such prepayment and shall be and become for all purposes thereafter Exhibit A attached hereto.

(4) Notice and Timing of Prepayment Before making any prepayment hereunder, the Lessee shall give written notice to the Lessor and the Trustee describing such event and specifying the date on which the prepayment will be made, which notice shall be given no later than the thirtieth (30th) day prior to the date scheduled for prepayment.

(c) Rate of Overdue Payments If Lessee should fail to make any of the payments required in this Section, the payments in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the net interest rate paid with respect to the Certificates.

(d) Fair Rental Value The Lease Payments shall be paid by the Lessee in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which such payments have been paid. The parties hereto have agreed and determined that such payments represent at least the fair rental value of the Leased Property. In making such determination, consideration has been given to the obligations of the parties under this Lease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the Lessee and the general public.

(e) Assignment The Lessee understands and agrees that, pursuant to the Assignment Agreement, the Lessor has assigned its right to receive and collect Lease Payments, Additional Payments and Prepayments thereof to the Trustee in trust for the benefit of the Certificate Holders, and the Lessee assents to such assignment. The Lessor hereby directs the Lessee, and the Lessee hereby agrees to pay to the Trustee at the Trustee's Principal Office or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Lessee pursuant to this Section, Article IV, Section 4.6 and Article X hereof.

(f) Abatement Lease Payments shall be subject to abatement as provided in Article VI, Section 6.1 hereof.

SECTION 4.4 Quiet Enjoyment During the term of this Lease, the Lessor shall provide the Lessee with quiet use and enjoyment of the Leased Property, and the Lessee shall during such term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Lessor, or any person or entity claiming under or through the Lessor except as expressly set forth in this Lease. The Lessor shall, at the request and expense of the Lessee, join in any legal action in which the Lessee asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor shall have the right to inspect the Leased Property as provided in Article VII, Section 7.3 hereof.

SECTION 4.5 Title to the Leased Property

(a) Lessor Holds Leasehold Interest During Term During the term of this Lease, the Lessor shall hold a leasehold interest in the Leased Property, and each discrete portion thereof, and any and all additions which comprise repairs, replacements or modifications thereto. The Lessee shall take any and all actions, including but not limited to executing and filing any and all documents, reasonably required to maintain and evidence the Lessor's interest in the Leased Property at all times during the Term of this Lease.

(b) Title Transferred to Lessee at End of Term Upon expiration of the Term as set forth in Article IV, Section 4.2 herein, unless such expiration occurs pursuant to a default by the

Lessee and the Lessor has elected to terminate this Lease under Article IX, Section 9.2(b) hereof, all right, title and interest of the Lessor in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer, except that with respect to the Leased Property Component constituting real property, the Lessor shall authorize, execute and deliver to the Lessee any documents required to transfer all right, title and interest of the Lessor to such real property to the Lessee.

(c) Option to Purchase The Lessee shall have the option to purchase the entire interest of the Lessor in the Leased Property by irrevocably making a security deposit with the Trustee as provided in Article X, Section 10.1 hereof or from Net Insurance and Condemnation Proceeds as provided in Article X, Section 10.2 hereof, by paying the purchase price therefor in the form of moneys or Defeasance Obligations, or a combination thereof, in an aggregate amount sufficient to provide for the payment of all of the total Lease Payments, as and when due, taking into account investment income to be earned on the deposit of such moneys and investments whereupon all right, title and interest of the Lessor in and to the Leased Property shall vest in the Lessee without the necessity of any additional document of transfer; provided that the Lessee provides the Trustee, the Lessor and the County Treasurer with an opinion of Special Counsel to the effect that such deposit will not cause the Interest Components of the Lease Payments to be includable in gross income of the Certificate Holders for federal income tax purposes under the Code. In any such event, if necessary, the Lessor shall authorize, execute and deliver to the Lessee any documents reasonably requested by the Lessee to terminate this Lease in order to confirm such vesting of title in the Lessee.

SECTION 4.6 Additional Payments As Additional Payments, the Lessee shall also pay such amounts as shall be required for the payment of all administrative costs of the Lessor relating to the Leased Property or the execution, sale and delivery of the Certificates, including, without limitation, the Lessee's obligation to pay all expenses, compensation and indemnification of the Trustee payable by the Lessee under the Trust Agreement (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Certificates), taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or, as may be related to this Lease, in the Trust Agreement, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement or to defend the Lessor.

Such Additional Payments shall be billed to the Lessee by the Lessor or by the Trustee on behalf of the Lessor from time to time, together with a statement certifying that the amount billed has been paid by the Lessor or by the Trustee on behalf of the Lessor for one or more of the items above described, or that such amount is then payable by the Lessor or the Trustee, as designated on the bill to the Lessee, within fifteen (15) days after receipt of the bill by the Lessee.

Additional Payments due under this Section shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable.

SECTION 4.7 Additional Lease Payments The Lease may be amended to provide for the execution and delivery of additional certificates of participation in Additional Lease Payments to be made by the Lessee, without the approval of the Certificate Holders, provided that the following shall have occurred: (i) the Lease shall have been amended, to the extent necessary, so as to increase the Lease Payments payable by the Lessee under the Lease by an aggregate amount equal to the Principal Components and Interest Components represented by such additional certificates of participation, payable at such times and in such manner as may be necessary to provide for the payment of the principal and interest represented by such certificates; provided, however, that no such amendment shall be made such that the sum of Lease Payments, including any such amendment to the Lease, plus Additional Payments in any year shall be in excess of the annual fair rental value of the Leased Property and (ii) the Lessee shall not be in default under the Trust Agreement or any Supplemental Trust Agreement or under the Lease. Notwithstanding the foregoing and anything to the contrary in the Lease, in the Trust Agreement or in any Supplemental Trust Agreement, the Lease shall not be amended to provide for the execution and delivery of additional Certificates if an Event of Default, (or any event which, once all notice and grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon the execution and delivery of such additional Certificates.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; OTHER MATTERS

SECTION 5.1 Maintenance, Utilities, Taxes and Assessments Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the Lessee or any sublessee thereof. In exchange for the Lease Payments herein provided, the Lessor agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The Lessor shall have no responsibility for making improvements and additions to the Leased Property other than as set forth herein.

The Lessee shall also pay or cause to be paid any and all sales taxes or other taxes, levies, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon charged against the Leased Property, as Additional Payments under Article IV, Section 4.6 hereof, including, without limitation, penalties, fines or interest arising out of any delay or failure by the Lessee to pay any of the foregoing or failure to file or furnish to the Lessor or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Lessor or the Leased Property, the rentals and other payments required hereunder or any parts thereof or interests in the Lessee or the Lessor or the Trustee therein by any governmental authority.

SECTION 5.2 Modification of the Leased Property

(a) The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to the Leased Property if such improvements are necessary or beneficial for the use of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the tax status of the Interest Components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value in the aggregate which is not less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) The Lessee will not permit any mechanic's or other lien to be established or to remain against the Leased Property for labor or materials furnished in connection with any additions, modifications, remodeling, construction or improvements made by the Lessee pursuant to this Section, except Permitted Encumbrances; provided, that if any such lien is established and the Lessee shall first notify or cause to be notified the Lessor of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Lessor with full security against any loss or forfeiture which might arise from such nonpayment with respect to the Leased Property, in form satisfactory to the Lessor. The Lessor will cooperate fully in any such contest, upon the request and at the expense of the Lessee.

SECTION 5.3 Public Liability and Property Damage Insurance; Workers' Compensation Insurance

(a) Public Liability and Property Damage The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the Lessee, its officers, agents and employees. Such policy or policies shall provide for indemnification of such parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Leased Property.

Such policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $150,000 (subject to a deductible clause of not to exceed $50,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the Lessee, and may be maintained in the form of self-insurance by the Lessee.

The Net Insurance and Condemnation Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid, including, where appropriate, the application of Net Insurance and Condemnation Proceeds with respect to the prepayment of the Lease Payments. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the Lessee.

As an alternative to providing the insurance required by the first paragraph of this Section, the Lessee, with the written consent of the County Treasurer, may provide a self-insurance method or plan of protection which shall afford reasonable protection to the Lessor, its directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the Lessee. Before such method or plan may be provided by the Lessee, there shall be filed with the Trustee a certificate of an actuary, Insurance Consultant or other qualified person to the satisfaction of the County Treasurer, stating that, in the opinion of the signer, the substitute method or plan of protection, is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Lessor, its directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby and Trustee may conclusively rely thereon. There shall also be filed a certificate of the Lessee setting forth the details of such substitute method or plan.

(b) Workers' Compensation The Lessee shall also maintain or require (in the case of vendors or contractors and all subcontractors) throughout the Term of this Lease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State covering all employees working on the Leased Property, in the same amount and type as other workers' compensation insurance maintained by the Lessee for similar employees doing similar work (and the Lessee shall also require any other person or entity working on the Leased Property to carry the foregoing amount of workers' compensation insurance). Workers' compensation insurance may, to the extent provided by law, be maintained in the form of self-insurance.

SECTION 5.4 Fire and Theft Insurance The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, insurance against loss or damage to any or all of the Leased Property by fire and lightning, with extended coverage endorsement (which extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and other hazards as are normally covered by such insurance), vandalism and malicious mischief insurance, sprinkler system leakage insurance, boiler insurance, and against loss of any of the Leased Property by theft.

Such insurance shall be in an amount equal to the greater of 100% of the replacement cost of the Leased Property (or, if under separate policies, in an aggregate amount equal to 100% of the replacement cost of the Leased Property) or the outstanding Principal Components of the Certificates, except that such insurance may be subject to deductible clauses of not to exceed \$50,000 for any one loss; *provided, however*, that in no event shall such insurance be maintained in an aggregate amount less than the aggregate Principal Components of Certificates at that time Outstanding. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee and may be maintained in the form of self-insurance by the Lessee. The Net Insurance and Condemnation Proceeds of each policy or coverage shall be applied as provided in Article VI, Section 6.2(a) and (c).

SECTION 5.5 Rental Interruption and Title Insurance

(a) The Lessee shall maintain or cause to be maintained with a reputable commercial insurer throughout the Term of this Lease insurance against loss, total or partial, of the use and occupancy of the Leased Property as a result of any of the hazards covered by Article V, Section 5.4 hereof, in an amount not less than the maximum remaining scheduled Lease Payments for a 24-month period, except that such insurance need be maintained as to the peril of earthquake only if such insurance is available at reasonable cost on the open market from reputable insurance companies. Such insurance shall be subject to a deductible clause not to exceed $50,000. Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the Lessee but may not be maintained as self-insurance. The Net Insurance and Condemnation Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited toward the payment of the Lease Payments in the order in which such Lease Payments come due and payable. The policy shall cover all components of the Leased Property and the facilities comprising the Leased Property.

(b) The Lessee shall, on or before the Closing Date, obtain an extended CLTA title insurance policy respecting the ownership and condition of the real property portion of the Leased Property as described in Exhibit B hereto, in an amount equal to the maximum aggregate amount of Principal Components of the Certificates.

SECTION 5.6 General Insurance Provisions

(a) Form of Policies All policies of insurance obtained under the requirements of this Lease and any statements of self-insurance shall be in forms certified by an insurance agent, broker or consultant to the Lessee to comply with the provisions hereof unless waived by the Certificate Holders of the majority in principal amount of Certificates Outstanding. Any insurance policy obtained under the requirements of this Lease shall be issued by a commercial insurer rated at least "A" by S&P, and shall be written or endorsed to list the Trustee, the Lessor and the Lessee as additional named insureds and the Trustee as loss payee, with in all instances the net proceeds, if any, of the insurance policy described in Article V, Section 5.5(a) above to be deposited in the Lease Payment Fund, and each insurance policy provided for herein shall contain a provision to the effect that the insurance company shall not cancel the policy without first giving written notice thereof to the Trustee, the Lessor and the Lessee at least ten (10) days in advance of such intended cancellation; provided that, the Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustments, compromise or settlement of any loss agreed to by it.

(b) Payment of Premiums The Lessee shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease, and shall promptly furnish or cause to be furnished to the Trustee a certificate to such effect accompanied by evidence of such payments.

(c) Evidence of Insurance The Lessee will deliver to the Lessor and the Trustee by March 31 of each year a certificate to the effect that the requirements of Article V, Sections 5.3, 5.4, 5.5 and 5.6 hereof have been satisfied, together with a certificate or certificates of an

Insurance Consultant evidencing such satisfaction. Upon request, the Lessee shall provide a schedule, in such detail as the Lessor or the Trustee may reasonably request, setting forth any insurance policies then in force described in this Lease, listing the names of the insurers which have issued the policies, the policy limits thereof and the hazards and risks covered thereby, or the certificate of an Insurance Consultant providing similar information. The Trustee is entitled to rely on such certificates as to the Lessee's compliance with these provisions and the Trustee has no further duties in that regard.

(d) Self-Insurance Requirements If the Lessee chooses to self-insure for any of the risks described in Article V, Sections 5.3 and 5.4 for which self-insurance is permitted, it must on at least an annual basis in the month of July provide evidence to the Trustee and the Lessor to the effect that (i) the Lessee has segregated amounts meeting such requirements in a special insurance reserve account dedicated to the Leased Property, (ii) a certificate of an Insurance Consultant to the Trustee and the Lessor to the effect that the Lessee's general insurance reserves are adequate to provide the required amount of coverage, and (iii) an actuarial statement attesting to the sufficiency of the program's assets. The Trustee may conclusively rely upon such certificates.

The Lessee agrees that in the event the self-insurance program is discontinued, the actuarial soundness of the special insurance reserve account shall be maintained.

SECTION 5.7 Liens Except as provided in this Article (including without limitation Article V, Section 5.2(b)), the Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Leased Property, or any portion thereof, other than the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Lessee shall 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 Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.8 Use of the Leased Property The Lessee represents and warrants that it has or will, as of the Closing Date, have an immediate need for, and expects to make immediate use of the Leased Property, which need is not temporary or expected to diminish in the foreseeable future. The Lessee agrees not to give priority in the appropriation of funds for the construction, acquisition or use of any additional Equipment or facilities, as the case may be, performing functions similar to that performed by the Leased Property.

SECTION 5.9 Reserved

SECTION 5.10 Advances If the Lessee shall fail to perform any of its obligations under this Article, the Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure.

SECTION 5.11 Agreement to Pay Program Expenses The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, all Program Expenses of the Lessor charged to the Lessee and Program Expenses charged to the Lessee by the Trustee as provided in the Trust Agreement.

SECTION 5.12 Books and Records The Lessee will at all times during the Term of this Lease keep proper books of record and account in which full, true and correct entries in conformity with applicable law shall be made of all dealings and transactions in relation to its activities. The Lessee will permit the Lessor, any authorized representatives of the Lessor and the Lessor's successors and assigns at reasonable times and intervals upon prior written notice to examine and make abstracts, subject to proprietary and confidentiality policies and agreements of or binding upon the Lessee, from the Lessee's books and records and to discuss the Lessee's affairs, finances and account with the Lessee's officers and independent accountants. The Lessee will promptly notify the Lessor if at any time the Lessee shall not maintain a positive fund balance in its general fund.

SECTION 5.13 Continuing Disclosure The Lessee hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the Lessee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee at the written request of the Owners of at least 25% aggregate principal amount of Outstanding Certificates shall (but only to the extent indemnified to its satisfaction against any expense or liability) or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Lessee to comply with its obligations under this Section. For purposes of this Section, (a) "Beneficial Owner" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Certificates for federal income tax purposes; and (b) "Continuing Disclosure Agreement" means the Continuing Disclosure Certificate dated the date of delivery of the Certificates, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET INSURANCE AND CONDEMNATION PROCEEDS

SECTION 6.1 Abatement of Lease Payments in Event of Loss of Use A proportional amount of the Lease Payments shall be abated during any period in which, by reason of condemnation, damage or destruction, there is substantial interference with the use and possession of the Leased Property, or any discrete portion thereof, by the Lessee. The amount of such abatement shall be determined by the Lessee such that the resulting Lease Payments represent fair consideration for the use and possession of the portion of the Leased Property not condemned, damaged or destroyed. Such abatement shall commence on the date of condemnation, damage or destruction and shall end with the substantial completion of the replacement or work of repair. There shall be no abatement in Lease Payments as a result of any design defects other than design defects that result in condemnation, damage or destruction with regard to the Leased Property, it being the intention of the parties hereto that recourse in such event would be made to the Contractor or Vendor. Except as provided herein, in the event of any such condemnation, damage or destruction, this Lease shall continue in full force and effect and the Lessee waives any right to terminate this Lease by virtue of any such condemnation, damage or destruction, including any rights otherwise granted under California Civil Code Sections 1932(2) and 1933(4).

SECTION 6.2 Application of Net Insurance and Condemnation Proceeds

(a) Net Insurance and Condemnation Proceeds shall be deposited in the Net Insurance and Condemnation Proceeds Fund by the Trustee promptly upon receipt thereof and, if the Lessee's Authorized Representative notifies the Lessor and the Trustee in writing of the Lessee's determination, made within forty-five (45) days from the date of destruction or condemnation of the Property, that the replacement or repair of the affected portion of the Leased Property is not economically feasible or in the best interests of the Lessee, then such Net Insurance and Condemnation Proceeds shall be promptly transferred by the Trustee to the Prepayment Fund and applied as provided in Article X, Section 10.2 unless, as provided in Article IV, Section 4.2 of the Trust Agreement, such Net Insurance and Condemnation Proceeds together with funds then on hand in the Lease Payment Fund are insufficient to prepay all of that portion of the Certificates representing interests in the Lease Payments for the Leased Property or relevant portion thereof in which event, such Net Insurance and Condemnation Proceeds will be deposited in a separate account by the Trustee and invested and used in accordance with Article IV, Section 4.2 of the Trust Agreement.

(b) Notwithstanding the foregoing, the Lessee may within forty-five (45) days from the date of destruction or condemnation of the Leased Property determine whether to repair the damaged or condemned Leased Property or affected portion of the Leased Property, only if (i) the Net Insurance and Condemnation Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, and (ii) in the event that damage or destruction results in an abatement of Lease Payments, the Lessee's Authorized Representative certifies and covenants to the Lessor and the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Article V, Section 5.5 hereof.

(c) All Net Insurance and Condemnation Proceeds deposited in the Net Insurance and Condemnation Proceeds Fund and not so transferred to the Prepayment Fund as provided in Article VI, Section 6.2(a) shall be applied to the prompt replacement or repair of the affected portion of the Leased Property by the Lessee, upon receipt of a requisition signed by the Lessee's Authorized Representative (a "Requisition") stating with respect to each payment to be made (i) the Requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Insurance and Condemnation Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee may conclusively rely on the Requisition as to the amount of such obligation and on the representations set forth therein. Any balance of the Net Insurance and Condemnation Proceeds remaining after such replacement or repair has been completed shall, after payment of amounts due the Trustee, be paid to the Lessee upon written request of the Lessee.

SECTION 6.3 Laws and Ordinances The Lessee agrees to observe and comply with all rules, regulations and laws applicable to the Lessee with respect to the Leased Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the Lessee, and the Lessor shall not be liable therefor. The Lessee agrees further to place, keep, use, maintain and operate the Leased Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS TO THE LEASED PROPERTY

SECTION 7.1 Disclaimer of Warranties THE LESSOR AND ITS ASSIGNS MAKE NO 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 LESSEE OF THE LEASED PROPERTY OR ANY LEASED PROPERTY COMPONENT. THE LESSEE ACKNOWLEDGES THAT THE LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT COMPRISING THE LEASED PROPERTY OR A DEALER THEREIN, AND THE LESSEE IS LEASING THE LEASED PROPERTY COMPONENTS "AS-IS," IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE LESSEE. In no event shall the Lessor or its assigns be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease, the Site Lease or the Trust Agreement for the existence, furnishing, functioning or use and possession of the Leased Property. In no event shall the Lessor, the Trustee or its assignees be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the use of any item or products provided for in this Lease.

SECTION 7.2 Lessee's Right to Enforce Warranties The Lessor hereby irrevocably appoints the Lessee as its agent and attorney-in-fact during the term of this Lease, so long as the Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Leased Property which the Lessor may have against any vendor or contractor. The Lessee's sole remedy for the breach of any such warranty, indemnification or representation shall be against the vendor or contractor with respect thereto, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Lease, including the right to receive full and timely Lease Payments and all other payments due hereunder. The Lessee shall be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Lessor shall, upon the Lessee's request and at the Lessee's expense, do all things and take all such actions as the Lessee may request in connection with the assertion of any such claims and rights. The Lessee expressly acknowledges that the Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer or vendor or contractor.

SECTION 7.3 Access to the Leased Property The Lessee agrees that the Lessor, any Lessor Representative and the Lessor's successors or assigns, shall have the right (but no duty) at all reasonable times to enter upon and to examine and inspect the Leased Property. The Lessee further agrees that the Lessor, any Lessor Representative, and the Lessor's successors or assigns shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Lessee to perform its obligations hereunder; provided, however, that the Lessor's assigns shall have no duty to cause such proper maintenance.

SECTION 7.4 Release and Indemnification Covenants To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor, the Trustee and their successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the Lessee, (ii) any breach or default on the part of the Lessee in the performance of any of its obligations under this Lease, (iii) any act or negligence of the Lessee or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or (iv) any act or negligence of any assignee or sublessee of the Lessee with respect to the Leased Property. No indemnification is made under this Section or elsewhere in this Lease for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or gross negligence, under this Lease by the Lessor, its officers, agents, employees, successors or assigns. For purposes of this indemnification, Leased Property includes any alternate Leased Property pursuant to the provisions hereof.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

SECTION 8.1 Assignment by the Lessor Certain of the Lessor's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the Lessee under this Lease, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the Lessee hereby consents. Except as provided herein and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in Article II, Section 2.2 hereof.

SECTION 8.2 Assignment and Subleasing by the Lessee This Lease may be assigned by the Lessee with the prior written consent of the Certificate Holders of the majority in aggregate principal amount of Certificates then Outstanding and S&P so long as such assignment does not adversely affect the exclusion from gross income for federal income tax purposes of the Interest Component of the Lease Payments. The Lessee may sublease the Leased Property, with the prior written consent of the Lessor, subject to all of the following conditions:

(i) this Lease and the obligation of the Lessee to make Lease Payments hereunder shall remain obligations of the Lessee;

(ii) the Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor and the Trustee a true and complete copy of such sublease;

(iii) no sublease by the Lessee shall cause the Leased Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the laws of the State;

(iv) no sublease shall cause the Interest Component of the Lease Payments due with respect to the Leased Property to become included within gross income for federal income tax purposes or subject to State personal income taxes, as evidenced by an opinion of Special Counsel; and

(v) if this Lease is assigned by the Lessee, the obligation to make Lease Payments hereunder shall remain the obligation of the Lessee.

SECTION 8.3 Amendment Lessee will not alter, modify or cancel or agree or consent to alter, modify or cancel this Lease except as permitted by Article X of the Trust Agreement and except to provide for any Additional Lease Payments, pursuant to Article IV, Section 4.7 hereof, or any substitution, pursuant to Article III, Section 3.6 hereof.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1 Events of Default Defined The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the Lessee to pay any Lease Payment required to be paid hereunder by not later than __________ (__) Business Days before the Payment Date immediately following each corresponding Lease Payment Date.

(ii) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto or in the Trust Agreement, other than as referred to in clause (i) 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 Lessee by the Lessor, the Trustee or the Certificate Holders of not less than the majority in principal amount of Certificates then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor or the Trustee acting at the direction of the Certificate Holders of majority in aggregate principal of the Certificates then Outstanding, as the case may be, shall not unreasonably withhold their consent to an extension of up to sixty (60) days if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(iii) The filing of a voluntary petition in bankruptcy by the Lessee, or the failure by the Lessee promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry on its operations, or the filing of a petition by the Lessee under the Federal Bankruptcy Code, or the adjudication of the Lessee as insolvent or as a bankrupt, or any assignment by the Lessee for the benefit of its creditors, or the application for, or consent to, the appointment of any receiver, trustee, custodian or similar officer by the Lessee or the entry by the Lessee into an agreement of composition with its creditors.

The Lessor's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of Lease Payments by the Lessee or the termination of this Lease by the Lessee.

SECTION 9.2 Remedies on Default

(a) Upon the occurrence and continuance of an event of default specified in Article IX, Section 9.1 above, the Lessor shall, only at the direction of the Certificate Holders of the majority in aggregate principal amount of Certificates then Outstanding, proceed to:

(i) Protect and enforce this Lease by such judicial proceedings as the Lessor or its assignee shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Lease, or in aid of the exercise of any power granted in this Lease, or to enforce any other legal or equitable right vested in the Lessor or its assignee by this Lease or by law;

(ii) Take possession of the Leased Property and exclude the Lessee from using it until the default is cured, holding the Lessee liable for the Lease Payments and other amounts payable by the Lessee prior to such taking of the Leased Property under and pursuant to this Lease and curing of such default; or

(iii) Take whatever actions at law or in equity appear necessary or desirable to enforce its rights as the owner of the Leased Property, including termination of this Lease and the repossession, re-letting (in consultation with Special Counsel) or sale (in consultation with Special Counsel) of the Leased Property.

Any abatement of Lease Payments due to damage or destruction of any Leased Property will not constitute an event of default hereunder.

Notwithstanding anything herein or in the Trust Agreement 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. After the occurrence of an event of default hereunder, the Lessee will surrender possession of the Leased Property to the Lessor, if requested to do so by the Lessor, the Trustee or the Certificate Holders of not less than a majority of the aggregate principal amount of Certificates then Outstanding in accordance with the provisions of the Trust Agreement.

(b) No Termination: Repossession and Re-Lease on Behalf of Lessee In the event the Lessor, at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, does not elect to terminate this Lease in the manner hereinafter provided for, the Lessor with the consent of the Lessee, which consent is irrevocably given, may repossess the Leased Property and re-let it for the account of the Lessee, in which event the Lessee's obligation under this Lease will continue to accrue from year to year in accordance with this Lease and the Lessee will continue to receive the value of the use of the Leased Property from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the Lessee shall remain the same as prior to such default to pay Lease Payments whether the Lessor re-enters or not. The Lessee agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions contained herein and shall reimburse the Lessor for any deficiency arising out of the re-letting of the Leased Property, or, in the event the Lessor is unable to re-let the Leased Property, then for the full amount of all Lease Payments to the end of the term of this Lease, but such Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Lease Payments hereunder, notwithstanding such repossession by the Lessor or any suit, brought by the Lessor for the purpose of effecting such repossession of the Leased Property or the exercise of any other remedy by the Lessor.

The Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee to repossess and re-let the Leased Property in the event of default by the Lessee in the performance of any covenants contained herein to be performed by the Lessee and to remove (any removal to be done with reasonable prudence) all personal property connected to or made a part of the Leased Property, to place such Property in storage or other suitable place in the County of Los Angeles, for the account of and at the expense of the Lessee, and the Lessee hereby exempts and agrees to save harmless the Lessor from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-letting of the Leased Property. The Lessee hereby waives any and all claims for damages caused or which may be caused by the Lessor in repossessing the Leased Property as provided herein and all claims for damages that may result from the destruction of or the injury to the Leased Property and all claims for damage to or loss of any property belonging to the Lessee that may be in or upon the Leased Property.

The Lessee agrees that the terms of this Lease constitute full and sufficient notice of the right of the Lessor to re-let the Leased Property in the event of such repossession without effecting a surrender of this Lease, and further agrees that no acts of the Lessor in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of the term for which such re-letting is made or the terms and conditions of such re-letting or otherwise, but that, on the contrary, in the event of such default by the Lessee the right to terminate this Lease shall vest in the Lessor to be effected in the sole and exclusive manner provided for in subparagraph (c) below. The Lessee further waives the right to any rental obtained by the Lessor in excess of the Lease Payments and hereby conveys and releases such excess to the Lessor as compensation to the Lessor for its services in re-letting the Leased Property. If the liability of the Lessee under this subsection (b) is held to constitute indebtedness or liability in any year exceeding the income and revenue provided for such year, the Lessor, or the Trustee or the Certificate Holders as assignees of the Lessor, shall not exercise the remedies provided in this subsection (b).

(c) Termination: Repossession and Re-Lease In the event of the termination of this Lease by the Lessor, at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, and in the manner hereinafter provided on account of default by the Lessee (and notwithstanding any repossession of the Leased Property by the Lessor in any manner whatsoever or the sale or re-letting of the Leased Property), the Lessee nevertheless agrees to pay to the Lessor all costs, losses or damages, but not Lease Payments, howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Lease Payments. Unless waived by the Certificate Holders in aggregate principal amount of Certificates then Outstanding, notwithstanding any other provision herein, following an event of default, the Trustee, acting at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, shall have the right to re-enter and re-let the Leased Property and to terminate this Lease. Any proceeds of the re-letting or other disposition of the Leased Property or the sale of the Improvements located on the Leased Property by the Lessor shall, after payment of the fees and expenses of the Trustee, be deposited into the Lease Payment Fund and be applied in accordance with the provisions of Article V, Section 5.5 of the Trust Agreement. Any surplus received by the Lessor from such sale or re-letting shall be the absolute property of the Lessor and the Lessee shall have no right thereto, nor shall the Lessee be entitled to any credit in the event of a surplus in the rentals received by the Lessor for the Leased Property. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any proceeding taken by the Lessor to recover possession of the Leased Property shall by itself operate to terminate this Lease, and no termination of this Lease on account of default by the Lessee shall be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the Lessee of the election on the part of the Lessor to terminate this Lease. The Lessee covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Lessor by such written notice. No such termination shall be effected whether by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

SECTION 9.3 No Remedy Exclusive No remedy conferred herein upon or reserved to the Lessor 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 or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 9.4 Agreement to Pay Attorneys' Fees and Expenses In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 9.5 No Additional Waiver Implied by One Waiver In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 9.6 Application of the Proceeds from the Sale or Lease of the Leased Property All amounts received by the Lessor under this Article other than as provided in Article IX, Section 9.2(b) herein, after payment of all fees and expenses of the Trustee including but not limited to attorneys' fees and expenses, shall be applied by the Trustee as set forth in Article XIII, Section 13.5 of the Trust Agreement.

SECTION 9.7 Trustee and Certificate Holders to Exercise Rights Such rights and remedies shall be exercised by the Trustee (subject to its rights and protections set forth in the Trust Agreement) and the Certificate Holders as provided in the Trust Agreement.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS AND PURCHASE OF LEASED PROPERTY

SECTION 10.1 Security Deposit Notwithstanding any other provision of this Lease, the Lessee may on any date exercise its option to purchase the entire interest of the Lessor in the Leased Property by an irrevocable deposit by it with the Trustee of (i) an amount of cash which, together with amounts on deposit in the Lease Payment Fund, is sufficient to pay the Lessee's unpaid Lease Payments, in accordance with the Lease Payment schedule set forth in Exhibit A hereto, or (ii) Defeasance Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant (which opinion shall be addressed and delivered to the Trustee), together with interest to accrue thereon, and money then on deposit in the Lease Payment Fund, together with interest thereon, be fully sufficient to pay all of the unpaid Lease Payments on the Lease Payment Dates or by prepayment thereof pursuant to Article X, Section 10.2 hereto, as the Lessee shall instruct at the time of such deposit and be sufficient to discharge the Certificates in accordance with the provisions of the Trust Agreement. In the event of a deposit pursuant to this Section (and provided that the Lessee has paid all Additional Payments due or accrued through the date of such deposit), all obligations of the Lessee under this Lease, and all security provided by this Lease for such obligations, shall cease and terminate, excepting only the obligation of the Lessee to make, or cause to be made, Lease Payments from the deposit made by the Lessee pursuant to this Section, and the entire interest of the Lessor in the Leased Property shall vest in the Lessee on the date of such deposit automatically and without further action by the Lessee or the Lessor (except as provided herein); provided, that vesting of title to the Leased Property in the Lessee shall be subject to the subsequent payment of Lease Payments made from such deposit in accordance with the provisions of this Lease. Such deposit shall be deemed to be and shall constitute a special fund for the payment of the Lease Payments in accordance with the provisions of this Lease. The Lessor shall execute and deliver such further instruments and take such further action as may reasonably be requested by the Lessee for carrying out the title transfer of the Leased Property.

SECTION 10.2 Mandatory Prepayment From Net Insurance and Condemnation Proceeds The Lessee shall be obligated to prepay the Lease Payments in whole or in part from and to the extent of any Net Insurance and Condemnation Proceeds heretofore transferred to the Prepayment Fund pursuant to Article VII, Section 7.1 of the Trust Agreement subject to the requirements of Article VI, Section 6.2(a) hereof and Article VII, Section 7.1 of the Trust Agreement. The Lessee and the Lessor hereby agree that such Net Insurance and Condemnation

Proceeds shall be credited towards the Lessee's obligations hereunder. Except in the case of such prepayment of the Lease Payments in whole, such prepayment shall be credited to the Lessee and applied proportionately over the remaining Lease Payments.

SECTION 10.3 Credit for Amounts on Deposit In the event of prepayment of the Principal Components of the Lease Payments in full under Article X, Section 10.1, all amounts then on deposit in the Lease Payment Fund shall be credited toward the amounts then required to be so prepaid.

ARTICLE XI

ADDITIONAL COVENANTS

SECTION 11.1 Compliance with and Enforcement of this Lease The Lessee covenants and agrees with the Certificate Holders to perform all obligations and duties imposed upon the Lessee hereunder. The Lessor covenants and agrees with the Certificate Holders to perform all obligations and duties imposed upon the Lessor under this Lease.

The Lessee will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from action, would or might be a ground for cancellation or termination of this Lease by the Lessor hereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estate in the Leased Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

SECTION 11.2 Observance of Laws and Regulations The Lessee will well and truly keep, observe and perform all valid and lawful obligations or regulations 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 or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by it, including its right to exist and carry on business as a general law city, 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 11.3 Prosecution and Defense of Suits The Lessee shall promptly, and also upon request of the Trustee (it having no obligation to make such request) from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate holder harmless from all loss, cost, damage and expense, including attorneys' fees and expenses, which it may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 11.4 Further Assurances The Lessor and the Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Trust

Agreement, and for the better assuring and confirming unto the Certificate Holders of the rights and benefits provided herein.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 Notices Notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five Business Days after deposit in the United States first-class mail, postage prepaid, to the named party at the following addresses:

If to the Lessee:

City of La Puente
15900 East Main Street
La Puente, CA 91744
Attention: City Manager
Telephone: (626) 622-5216
E-mail: blindsey@lapuente.org

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

If to the Lessor:

Public Property Financing Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 9136
Attention: Bill Morton

SECTION 12.2 Binding Effect This Lease shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assigns.

SECTION 12.3 Severability In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

SECTION 12.4 Lessor Not Liable The Lessor and its directors, officers, agents and employees and the Trustee shall not be liable to the Lessee or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Property or any Leased Property Component.

SECTION 12.5 Net-Net-Net Lease This Lease shall be deemed and construed to be a “net-net-net lease” and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 12.6 Further Assurances and Corrective Instruments The Lessor and the Lessee 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 Leased Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease.

SECTION 12.7 Execution in Counterparts This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.8 Applicable Law This Lease shall be governed by and construed in accordance with the laws of the State, applicable to contracts made and performed in such State.

SECTION 12.9 Third-Party Beneficiaries The Certificate Holders and the Trustee are expressly recognized as third-party beneficiaries under this Lease.

SECTION 12.10 No Merger of Estate This Lease shall not operate as a merger of the Lessee's leasehold estate in the Leased Property and the Lessee's fee estate in the Leased Property shall not cause the leasehold interest granted to the Lessor under the Site Lease to be extinguished.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their names by their duly Authorized Signatories, as of the date first above written.

PUBLIC PROPERTY FINANCING
CORPORATION, as Lessor

By: ______________________________
President

CITY OF LA PUENTE, as Lessee

By: ______________________________
City Manager

94903020.3

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

On ______________________________ before me,__________________________(insert name of the officer), Notary Public, personally appeared _________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_________________________________ [Seal]

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

On ______________________________ before me,__________________________(insert name of the officer), Notary Public, personally appeared _________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_________________________________ [Seal]

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Lease Payment Dates	Principal Components	Interest Components	Total

EXHIBIT B

LEGAL DESCRIPTION OF LEASED PROPERTY

TRACT 11273 1/2 VAC ST ADJ ON NW AND LOT COM AT MOST N COR OF LOT 7 BLK B TH S 41 35 W 528.51 FT TH S 48 29 33 E TO W LINE OF GLENDORA AVE TH N THEREON TO A PT S 48 30 20 E FROM BEG TH N 48 30 20

TRUST AGREEMENT

by and among

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

PUBLIC PROPERTY FINANCING CORPORATION,
as Lessor

and

CITY OF LA PUENTE,
as Lessee

Dated as of October 1, 2020

Relating to

$[Par Amount]
City of La Puente Certificates of Participation,
2020 Series A (Federally Taxable)

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of October 1, 2020 (this "Trust Agreement"), by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), the CITY OF LA PUENTE, a general law city duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease described below (the "Lessee"), and PUBLIC PROPERTY FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor under the Lease (the "Lessor");

W I T N E S S E T H:

WHEREAS, the Lessee and the Lessor have entered into the Lease Agreement, dated as of the date hereof (the "Lease"), whereby the Lessor has agreed to finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities, and the Lessee has agreed to lease the Leased Property (as defined herein) from the Lessor; and

WHEREAS, the Lessee and the Lessor wish to authorize hereunder the execution and delivery of certain certificates of participation (the "Certificates"), each evidencing and representing an undivided and proportionate interest of the Certificate Holders thereof in certain lease payments (the "Lease Payments") to be made by the Lessee under the Lease; and

WHEREAS, the net proceeds obtained through the execution, sale and delivery of the Certificates will be deposited with the Trustee under this Trust Agreement and used in part by the Lessor to finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities on behalf of the Lessee; and

WHEREAS, the Lessee will pay Lease Payments and Additional Payments as are payable under the Lease, at least equal to the fair rental value of the Leased Property in amounts sufficient to pay the Principal Components and Interest Components evidenced and represented by all Outstanding Certificates; and

WHEREAS, pursuant to the Assignment Agreement, dated as of even date herewith (the "Assignment Agreement"), by and between the Lessor and the Trustee, the Lessor will assign to the Trustee its rights to receive all Lease Payments and Additional Payments due under the Lease and pursuant to this Trust Agreement, the Lessor will grant a security interest in all moneys held by the Trustee hereunder and the Lessor and the Lessee will grant a security interest in the Leased Property, all to the Trustee for the benefit of the Certificate Holders and as security therefor; and

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing and representing undivided and proportionate interests of the Certificate Holders thereof in the Lease Payments and Prepayments (as defined herein) made by the Lessee under the Lease, which will provide the moneys required to be deposited hereunder;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions and Rules of Construction Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings specified herein or in the Lease. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms used in this Trust Agreement refer to this Trust Agreement as a whole.

"Additional Lease Payments" means those payments due as provided in Article IV, Section 4.7 of the Lease.

"Additional Payments" means those payments due as provided in Article IV, Section 4.6 of the Lease.

"Assignment Agreement" means the Assignment Agreement, dated as of the date hereof, by and between the Trustee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

"Authorized Denomination" means denominations of $5,000 or any integral multiple thereof.

"Authorized Signatory" or "Authorized Representative" means: (i) in the case of the Lessor, any person authorized by resolution of the Board of Directors of the Lessor to perform such act or to execute such documents; (ii) in the case of the Lessee, the Authorized Signatory as specified in the Lessee's resolution authorizing the execution of the Lease and related documents, or any other person authorized in writing by the Governing Board of the Lessee to act on behalf of the Lessee with respect to this Trust Agreement, the Lease and any related documents; and (iii) in the case of the Trustee, any person authorized to perform any act or sign any document by or pursuant to the by-laws or any resolution of the governing body of the Trustee.

"Business Day" means any day (other than a Saturday, Sunday or holiday) on which banks in Los Angeles, California or New York, New York are not authorized or obligated by law or executive order to remain closed.

"Certificate Holders" when used with respect to a Certificate, means such persons in whose name such Certificate is registered on the registration books of the Trustee.

"Certificate Year" means the annual period commencing on _________ 2 of a calendar year and ending on _________ 1 of the following calendar year, in any year during which the Certificates are or will be Outstanding; provided, however, that the initial Certificate Year shall begin on the Closing Date and end on _________ 1 of the following calendar year and the final Certificate Year shall end on the date on which the last Certificate is paid or prepaid.

"Certificates" means the $[Par Amount] City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) executed and delivered pursuant to this Trust Agreement.

"Closing Date" means __________, 2020.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the date of delivery, by the Lessee and a dissemination agent named therein, and any duly authorized and executed amendments or supplements thereto.

"Corporation" means the _____________ Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

"Costs of Delivery" means all items of expense directly or indirectly payable by or reimbursable to the Lessee or the Lessor relating to the delivery of the Certificates, including but not limited to filing and recording and related costs relating to the sale of the Certificates, settlement costs, printing costs, reproduction and binding costs, financing discounts, initial fees and charges of the Trustee (as Trustee hereunder), legal fees and charges, financing and other professional consultant fees, fees for credit ratings, fees for the Trustee's execution, transportation and safekeeping of Certificates, and other charges and fees in connection with the foregoing.

"Costs of Delivery Fund" means the Costs of Delivery Fund established pursuant Article III, Section 3.1 hereof.

"County" means the County of Los Angeles, California.

"Defeasance Obligations" means: (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then-existing criteria of S&P or any combination thereof.

"Depository Trust Company" or "DTC" means The Depository Trust Company as initial securities depository for the Certificates.

"Event of Default" means an event of default set forth in Article XIII, Section 13.2 hereof.

"Fiscal Year" means the District's fiscal year beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Governing Board" means the City Council of the City of La Puente.

"Improvements" means any public improvements on real property owned by the Lessee and leased to the Lessor pursuant to the Site Lease.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Lessor or the Lessee.

"Information Services" means, in accordance with the then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System and/or one or more services selected by the Lessor which are then providing information with respect to the Certificates.

"Interest Component" means the portion of the Lease Payments designated as interest on Exhibit B hereto.

"Interest Payment Date" means _______ 1 and ______ 1 of each year, commencing _______ 1, 20__.

"Lease" means the Lease Agreement, dated as of the date hereof, by and between the Lessee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

"Lease Payment" means any payment required to be paid by the Lessee to the Lessor pursuant to Article I, Section 1.1 of the Lease.

"Lease Payment Date" has the meaning set forth in Article I, Section 1.1 of the Lease.

"Lease Payment Fund" means the fund so designated which is established pursuant to Article V, Section 5.3 hereof.

"Leased Property" means, collectively, all of the Leased Property and Leased Property Components of the real and/or personal property, consisting of the site and the capital improvements described in Exhibit B to the Lease.

"Leased Property Component" means any identifiable portion or singular parcel comprising the real and/or personal property described in Exhibit B to the Lease.

"Lessee" means the City of La Puente, a general law city duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease.

"Lessee Prepayment" means any payment made by the Lessee pursuant to Article X of the Lease as a prepayment of its Lease Payments.

"Lessor" means the Corporation and its successors and assigns.

"Lessor Representative" means the President of the Lessor, or any other person authorized by the Board of Directors of the Lessor to act on behalf of the Lessor under or with respect to the Lease, as evidenced by a certificate of the Lessor.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"Net Insurance and Condemnation Proceeds" means any net proceeds of insurance or condemnation proceeds paid with respect to the affected portion of any Leased Property remaining after payment therefrom of any expenses (including attorneys' fees) incurred in the collection thereof.

"Net Insurance and Condemnation Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to Article XIII, Section 8.1 hereof.

"Outstanding" when used as of any particular time with respect to Certificates, means (subject to the provisions of Article X, Section 10.2 and Article XIV, Section 14.1) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(a) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or prepayment of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates) in accordance with Article XIV, Section 14.1 hereof; provided, that if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided herein or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been delivered by the Trustee pursuant to Article II, Sections 2.7 and 2.8 hereof.

"Payment Date" means each Interest Payment Date and Principal Payment Date.

"Permitted Encumbrances" means, with respect to the Leased Property, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to the provisions of Article V of the Lease, permit to remain unpaid; (ii) this Trust Agreement; (iii) the Site Lease; (iv) the Assignment Agreement; (v) the Lease; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which the Lessee certifies in writing will not impair the use of the Leased Property or to which the Corporation consents in writing.

"Permitted Investments" means any of the following, except to the extent not permitted by the laws of the State as an investment for the moneys to be invested therein at the time of investment:

(1) "Federal Securities" means:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(b) Obligations of, or obligations fully and unconditionally guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including:

- U.S. Treasury obligations
- All Direct or Fully Guaranteed Obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association
- State and Local Government Series;

(2) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States for the full and timely payment of principal and interest;

(3) Obligations of any state of the United States or any political subdivision thereof, which at the time of investment are rated "Aa3" or higher by Moody's and "AA-" or higher by S&P; or which are rated by Moody's "VMIG 1" or better and by S&P "A-1+" or better with respect to commercial paper, or "VMIG 1" and "SP-1", respectively, with respect to municipal notes;

(4) Bank time deposits evidenced by certificates of deposit, including those placed by a third party pursuant to an agreement between the Lessee and the Trustee, deposit accounts, including time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, interest bearing money market accounts and bankers' acceptances (having maturities of not more than 30 days), issued by any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates); provided that (a) such bank, trust company or national banking association be rated "Aa3" or better by Moody's and "AA-" or better by S&P; and (b) the aggregate of such bank time deposits and bankers' acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than $15,000,000;

(5) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates), with subsidiaries (of a parent company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, provided that either such bank, trust company or national banking association which (or senior debt or claims paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(6) Repurchase or reverse repurchase agreements with maturities of not more than one year entered into with financial institutions such as banks or trust companies organized under state law or national banks or banking associations (including the Trustee or any of its affiliates), insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Securities Investor Protection Corporation or with a dealer or parent holding company that is rated, at the time of investment, or whose long-term debt obligations (or senior debt or claims paying ability of the financial entity's guarantor) are rated, at the time of investment, "Aa (stable)" or better by Moody's and "AA (stable)" or better by S&P, provided such repurchase agreements are in writing, secured by obligations described in paragraphs (1) and (2) of this definition having a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements and in which the Trustee has a perfected first lien in, and retains possession of, such obligations free from all third party claims;

(7) Investment agreements, forward purchase agreements and reserve fund put agreements with any corporation, including banking or financial institutions, or agreements entered into with subsidiaries (of a parent company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, the corporate debt of which (or senior debt or claims paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(8) Guaranteed investment contracts or similar funding agreements issued by insurance companies, provided that either the long term corporate debt of such insurance company, at the time of investment, is rated, at the time of investment, "Aa3" or better by Moody's and "AA-" or better by S&P or which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, or that the following conditions are met: (a) the market value of the collateral is maintained at levels acceptable to Moody's and S&P, (b) the Trustee or a third party acting solely as agent for the Trustee has possession of the collateral, (c) the Trustee has a perfected first priority security interest in the collateral, (d) the collateral is free and clear of third-party liens, and (e) failure to maintain the requisite collateral level will require the Trustee to liquidate collateral;

(9) Corporate commercial paper rated at the time of purchase “P-1” or better by Moody’s and “A-1+” or better by S&P at the time of investment;

(10) Money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody’s, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; and

(11) Deposits with the Local Agency Investment Fund of the State as permitted by law.

“Prepayment” means any payment made by the Lessee pursuant to Article IV, Section 4.3 or Article X of the Lease as a prepayment of the Lease Payments.

“Prepayment Fund” means the fund by that name established and held by the Trustee pursuant to Article IV, Section 4.1 hereof.

“Principal Component” means the portion of the Lease Payments designated as principal represented by the Certificates.

“Principal Corporate Trust Office” means the corporate trust office of the Trustee in Los Angeles, California, or such other place designated by the Trustee except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Principal Payment Date” means _______ 1 of each year, commencing _____ 1, 2021.

“Program Expenses” means all administrative costs of the Lessor relating to the Leased Property or the execution, sale and delivery of the Certificates, including, without limitation, taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or in the Lease, Costs of Delivery, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of this Trust Agreement or to defend the Lessor.

“Purchase Agreement” means the Certificate Purchase Agreement, by and among the Lessee, the Lessor and the Underwriter.

“Rating Agencies” means Moody’s and/or S&P.

"Record Date" means the fifteenth day of the calendar month preceding any Interest Payment Date, whether or not such fifteenth day is a Business Day, provided with respect to the payment of defaulted interest, a special record date shall be established in accordance with the provisions of this Trust Agreement.

"Removal" means the release of all or a portion of the Leased Property from the leasehold of the Lease and the Site Lease as provided in Article III, Section 3.8 of the Lease.

"Requisition" means the requisition relating to the payment of costs of issuance filed with the Trustee substantially in the form attached hereto as Exhibit D.

"Responsible Officer" means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Principal Corporate Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Principal Corporate Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a limited liability company duly organized and existing under and by virtue of the laws of the State of New York, its successors and assigns.

"Site Lease" means the Site Lease dated as of October 1, 2020 by and between the Corporation, as lessee thereunder, and the City of La Puente, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

"Special Counsel" means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax status of interest on obligations issued by states and their political subdivisions.

"State" means the State of California.

"Substitution" means the release of all or a portion of the Leased Property from the leasehold of the Lease and Site Lease, and the lease of substituted real property and Improvements and/or equipment, if any, thereunder and under the Site Lease as provided in Article III, Section 3.8 of the Lease.

"Supplemental Trust Agreement" means any trust agreement hereafter duly authorized and entered into among the Lessor, the Lessee and the Trustee, supplementing, modifying or amending this Trust Agreement in accordance with the terms hereunder.

"Term" means the time during which the Lease is in effect, as provided in Article IV, Section 4.2 of the Lease.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, and its successors or assigns, if any, as Trustee.

"Trust Agreement" means this Trust Agreement, together with any amendments hereof or supplements hereto permitted to be made hereunder.

"Underwriter" means Hilltop Securities Inc.

SECTION 1.2. Due Authorization Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

SECTION 2.1. Authorization The Trustee is hereby authorized and directed to execute and deliver to the Underwriter the Certificates in an aggregate principal amount of $[Par Amount] in Authorized Denominations. In no event shall the Certificates be deemed a debt, obligation or liability of the Trustee. The Certificates evidence and represent proportionate and undivided ownership interests of the Certificate Holders in the Lease Payments and the Prepayments to be made by the Lessee under the Lease. The total Principal Components and Interest Components due on all Certificates shall not exceed the total Lease Payments due under the Lease.

SECTION 2.2. The Certificates

(a) Date Each Certificate shall be dated the date of delivery and shall represent interest payable from the Interest Payment Date to which interest has been paid or duly provided for immediately preceding the date of execution, unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates, provided, however, that if, as of the original date of execution of any Certificate, the Interest Component has not been paid when due for any Outstanding Certificates, such Interest Component for such Certificate shall be payable from the Payment Date to which the Interest Component has previously been paid or made available for payment with respect to the Outstanding Certificates.

(b) Payment of the Principal Component and the Interest Component of the Certificates The Certificates shall mature on June 1 of the following years and shall represent interest at the following rates:

Maturity Date (1)	Principal Components	Interest Rates

SECTION 2.3. Payment The principal and premium, if any, payable with respect to the Certificates shall be payable in lawful money of the United States of America by wire transfer or check, payable in any coin or currency of the United States of America which, at the dates of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid by the Trustee on the Interest Payment Date with regard to such Certificate to the Certificate holder thereof at the close of business on the Record Date with respect to such interest payment and shall be paid by check mailed on the applicable Interest Payment Date by first class mail to such Certificate holder at his or her address as it appears on the Certificate Registration books or, upon the written request of an Certificate holder of at least $1,000,000 in principal amount of Certificates received at least fifteen (15) days prior to a Record Date, by wire transfer in immediately available funds to an account in the United States of America designated in writing by such Certificate holder, irrespective of the cancellation of such Certificate upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Lessee shall default in the payment of Lease Payments due with respect to such Interest Payment Date. Payment of principal and premium, if any, due on any Certificate shall be paid only upon surrender of such Certificate at the Principal Corporate Trust Office of the Trustee. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Certificate holder of such Certificate on a special record date for the payment of such defaulted interest, which date shall be established by the Trustee by notice mailed to the Certificate Holders of Certificates not less than fifteen (15) days preceding such special record date.

SECTION 2.4. Registration; Interest The Certificates shall be delivered in the form of fully registered Certificates without coupons, in Authorized Denominations. The Certificates shall be numbered as determined by the Trustee. The Certificates shall be registered initially in the name of "Cede & Co.," as nominee of The Depository Trust Company. The Certificates shall be evidenced by one Certificate for each Principal Payment Date in the total aggregate principal amount of the Certificates maturing on such Principal Payment Date. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Article II, Section 2.7 hereof. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment.

If the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, beneficial owners of the Certificates, or the Lessee, the Lessor shall notify the Trustee, whereupon the Trustee shall notify DTC of the availability through DTC of certificated securities for the Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

The Interest Component with respect to any Certificate shall be payable on each Interest Payment Date to the date of maturity or prepayment of such Certificate, whichever is earlier. Said Interest Component shall represent the portion of Lease Payments designated as interest and coming due during the six-month period immediately preceding each Interest Payment Date computed on the basis of a 360-day year, comprised of 12 months of 30 days each. The proportion of the Lease Payments designated as the Interest Component shall be determined by the rate of interest applicable to the Certificates.

SECTION 2.5. Form of Certificates The Certificates and the form of assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein.

SECTION 2.6. Execution The Certificates shall be executed by and in the name of the Trustee by the manual signature of any authorized signatory of the Trustee. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

SECTION 2.7. Application of Proceeds The net proceeds received by the Trustee from the sale of the Certificates in the amount of $_________ (consisting of the par amount of the Certificates of $[Par Amount].00, less an Underwriter's discount of $________) shall be set deposited and transferred by the Trustee as follows:

(a) The Trustee shall deposit into the Costs of Delivery Fund the amount of $________; and

(b) [instructions for pension/OPEB payoff to come].

SECTION 2.8. Transfer and Exchange of Certificates

(a) Transfer of Certificates Any Certificate may, in accordance with its terms, and subject to Article II, Section 2.8(a), be transferred upon the books required to be kept pursuant to the provisions of Article II, Section 2.10 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed; provided, however, that the Trustee shall not effect the transfer of any Certificate during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Lessee. The Trustee shall require the payment by the Certificate holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Certificate holder for any such transfer. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and interest rate, and for a like aggregate principal amount of Authorized Denominations.

(b) Exchange of Certificates Certificates may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Certificates of other Authorized Denominations of the same maturity and interest rate; provided, however, that there shall be no exchange of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice for prepayment thereof. The Trustee shall require the payment by the Certificate holder requesting such transfer or exchange of any tax or other governmental charge required to be paid on such exchange. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Lessee. All Certificates surrendered pursuant to the provisions of this Section shall be canceled by the Trustee and shall not be redelivered. The Trustee shall not be required to transfer or exchange Certificates during the period in which the Trustee is selecting Certificates for prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice for prepayment thereof.

SECTION 2.9. Mutilated, Lost, Destroyed or Stolen Certificates If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor and maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee from the Certificate holder of such lost, stolen or destroyed Certificates for each new Certificate delivered under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement

Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate in exchange for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, or which has been called for prepayment, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.10. Use of Depository Trust Company Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially delivered and registered as provided in Article II, Section 2.3. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the DTC or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) ("substitute depository"); provided, that any successor of DTC or a substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository designated by the Lessor and not objected to by the Trustee, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) or (2) a determination by the Lessor that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as the Lessee's security depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Trustee can be obtained or (2) a determination by the Lessor that it is in the best interests of the Lessee to remove DTC or its successor (or any substitute depository or its successor) from its functions as securities depository hereunder.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, together with a request from the Lessor to the Trustee, a single new Certificate shall be executed and delivered in the aggregate principal amount of the Certificates then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request from the Lessor. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested by DTC or its successors, subject to the limitations of Article II, Section 2.3 hereof, provided that the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a request.

(c) In the case of partial prepayment or an advance refunding of the Certificates evidencing all or a portion of the principal amount thereof Outstanding, DTC shall make an appropriate notation on the Certificates indicating the date and amounts of such reduction in principal. The Trustee shall not be liable for any error or omission by DTC in making such notation and the records of the Trustee as to the Outstanding principal amount of the Certificates shall be controlling.

(d) The Lessee, the Lessor and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the Certificate holder thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Lessee; the Lessee, the Lessor and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial Owners of the Certificates. The Lessee, the Lessor and the Trustee will have no responsibility or obligations, legal or otherwise, to the beneficial owner or to any other party including DTC or its successors, except for the Certificate holder.

(e) So long as the Outstanding Certificates are registered in the name of Depository Trust Company or a successor depository, the Lessee, the Lessor and the Trustee shall cooperate with Depository Trust Company or such successor depository, as sole registered owner, in effecting payment of the principal of and prepayment premium, if any, and interest with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) If the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, Certificate holder, or the Lessee, the Lessor shall notify the Trustee, whereupon the Trustee shall notify DTC of the availability through DTC of certificated securities for the Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

SECTION 2.11. Certificate Register The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the Lessee and the Lessor during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Certificates as hereinbefore provided. The Lessee, the Lessor and the Trustee shall be entitled to treat the registered Certificate holder as the absolute owner thereof for all purposes, whether or not a Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

SECTION 2.12. Amount of the Lessee's Payment The payment of principal and interest represented by the Certificates is comprised of the undivided interests of the Certificate holder in Lease Payments to be made by the Lessee in the aggregate amount set forth in Exhibit B hereto.

SECTION 2.13. Payment of Program Expenses The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, Program Expenses charged by the Trustee or the Lessor.

ARTICLE III

[RESERVE FUND]; COSTS OF DELIVERY FUND

SECTION 3.1. Establishment of Reserve Fund [discuss]

SECTION 3.2. Establishment of Costs of Delivery Fund The Trustee shall establish a special fund designated as the "City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) Costs of Delivery Fund" (the "Costs of Delivery Fund"), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Costs of Delivery Fund shall be held and applied by the Trustee in accordance herewith. The Costs of Delivery Fund shall be closed 180 days after the Closing Date, and any moneys then remaining in the Costs of Delivery Fund, including any interest earnings thereon, shall be transferred to the Lease Payment Fund.

SECTION 3.3. Purpose Amounts on deposit in the Costs of Delivery Fund shall be applied to pay Costs of Delivery, as provided herein.

SECTION 3.4. Payment of Costs of Delivery The Trustee shall disburse moneys on deposit in the Costs of Delivery Fund upon receipt of a Requisition in form attached hereto as Exhibit D signed by the Lessee's Authorized Signatory, or his or her duly designated deputy setting forth the amounts to be disbursed for payment or reimbursement of Costs of Delivery and the person or persons to whom said amounts are to be disbursed, and stating that the amounts to be disbursed are for Costs of Delivery properly chargeable to the Costs of Delivery Fund. Each such written request shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.1. Establishment of Prepayment Fund

(a) The Trustee shall establish when deposits are required to be made therein a special fund designated as the "City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) Prepayment Fund" (the "Prepayment Fund"), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Trustee need not open such fund on its records until such time as deposits are required to be made therein. Prior to any prepayment of the Certificates, an amount at least equal to the amount necessary to prepay the Certificates shall be deposited by the Lessee into the Prepayment Fund. As provided in Article V, Section 5.5, prepayments of the Certificates shall be made from money available therefor. Any prepayments of the Certificates in advance of their maturity shall be made on the date designated for prepayment and upon presentation and surrender of such Certificates.

(b) Upon the Trustee's receipt of each Prepayment of Lease Payments from the Lessee under Article X, Section 10.2 or 10.3 of the Lease, the Trustee shall give prompt notice to the Lessee of such receipt and the amount of said Prepayment. All amounts representing Prepayments hereunder shall be deposited into the Prepayment Fund.

SECTION 4.2. <u>Prepayment from Net Insurance and Condemnation Proceeds</u>

(a) Upon the receipt of Net Insurance and Condemnation Proceeds from the Lessee, the Trustee shall promptly deposit such moneys into the Net Insurance and Condemnation Proceeds Fund and shall promptly provide notice thereof to the Lessee; the Lessee shall then deliver a Written Order to the Trustee, directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance and Condemnation Proceeds Fund to be used to replace or repair the Leased Property, or to deposit such Net Insurance and Condemnation Proceeds into either (i) the Prepayment Fund, or (ii) the Lease Payment Fund as a credit against the Lease Payments, as may be required by the Lease.

(b) The Certificates are subject to prepayment on any Payment Date, in whole or in part, from Net Insurance and Condemnation Proceeds deposited in the Prepayment Fund at least 45 days prior to a Payment Date and credited towards the Prepayment made by the Lessee pursuant to Article X, Section 10.2 of the Lease, at a prepayment price equal to the principal amount thereof, together with interest accrued to the date fixed for prepayment, without premium. In the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds when fewer than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment from the Outstanding Certificates, proportionately by maturity in Authorized Denominations. The Trustee shall promptly notify the Lessee and the Lessor in writing of the Certificates so selected for prepayment.

(c) If Net Insurance Proceeds are sufficient, together with other moneys as may be provided by the Lessee, to prepay the Lease Payments in full, payments from Net Insurance Proceeds may be applied to the prepayment of Certificates.

(d) Whenever Net Insurance and Condemnation Proceeds are set aside for prepayment of Certificates under this Section, such Net Insurance and Condemnation Proceeds shall, promptly upon receipt and upon the Trustee's receipt of written instructions, be invested by the Trustee at the written direction of the Lessee in Permitted Investments maturing in time and amount sufficient to provide payment in full of the principal and interest with respect to the Certificates selected for prepayment. The Lessee shall provide the Trustee with revised mandatory prepayment schedules.

(e) If the Lessee elects to repair or replace the Leased Property with Net Insurance and Condemnation Proceeds and does not receive sufficient Net Insurance and Condemnation Proceeds for that purpose, the Lessee shall use its best efforts to provide sufficient funds, if necessary, in excess of such Net Insurance and Condemnation Proceeds to repair or replace the Leased Property and to make Lease Payments pursuant to the Lease.

(f) If the Lessee shall have delivered a Written Order directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance and Condemnation Proceeds Fund, the Trustee shall apply such moneys in accordance with Article VII, Section 7.1(b).

(g) The Lessee shall be permitted to request the replacement or repair of the Leased Property only if (i) the Net Insurance Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, (ii) if damage or destruction results in an abatement of Lease Payments, the Lessee Representative certifies and covenants to the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Article V, Section 5.5 of the Lease, (iii) the Certificate Holders of the majority in aggregate principal amount of Certificates Outstanding shall have consented, in writing, to such repair or replacement, or (iv) such requirements are waived by the Certificate Holders of the majority in aggregate principal amount of Certificates Outstanding.

(h) If, following the use by the Lessee of Net Insurance Proceeds for the purposes described above, there remains an excess amount, the Lessee shall deposit such excess Net Insurance Proceeds into the Lease Payment Fund and it shall be afforded a credit against its immediately succeeding Lease Payments due.

SECTION 4.3. Mandatory Sinking Fund Prepayment The Certificates maturing on _________ 1, 20__, shall be subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on ________ 1 of each year, commencing __________ 1, 20__, in the Principal Components and on the prepayment dates as follows:

Mandatory Sinking Fund Prepayment Date (1)	Mandatory Sinking Fund Payment
†	

† Maturity.

SECTION 4.4. Optional Prepayment of Certificates The Certificates maturing on or before __________ 1, 20__, are not subject to prepayment prior to their fixed maturity dates. The Certificates maturing on and after __________ 1, 20__, may be prepaid before maturity, at the option of the Lessee, from moneys deposited into the Prepayment Fund as a result of the Lessee's election to prepay Lease Payments, on any date on or after __________ 1, 20__, as a whole or in part, exercised by notifying the Trustee at least 45 days prior to the scheduled prepayment date, as provided in the Lease, at a prepayment price equal to the principal amount thereof together with interest accrued thereon to the date fixed for prepayment. The Lessee shall provide the Trustee with revised mandatory prepayment schedules following an optional prepayment.

SECTION 4.5. Reserved.

SECTION 4.6. Selection of Certificates for Prepayment; Partial Prepayment

(a) Except as otherwise provided herein, whenever provision is made in this Trust Agreement for the prepayment of Certificates and fewer than all Outstanding Certificates are called for prepayment, other than in the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds which shall be selected in accordance with Article IV, Section 4.2 hereof the Trustee shall select Certificates for prepayment from the Outstanding Certificates not previously called for prepayment as the Lessee may direct, and, in the absence of such direction, in inverse order of maturity, and by lot within any maturity, in any manner which the Trustee shall in its sole discretion deem appropriate.

(b) All or a portion of any Certificate may be prepaid, but only in a principal amount equal to an integral multiple of $5,000. Upon surrender by the Certificate holder for partial prepayment, such partial prepayment of the Principal Component will be made by wire or check mailed by first class mail to the Certificate holder at his or her address as it appears on the registration books of the Trustee. Upon surrender of any Certificate prepaid in part only, except as otherwise provided in Article II, Section 2.10(c), the Trustee shall execute and deliver to the Certificate holder thereof, at the expense of the Lessee exercising an option to prepay, a new Certificate or Certificates which shall be of Authorized Denominations equal in aggregate principal amount to the unprepaid principal amount of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Certificate holder, and the Lessee exercising an option to prepay, the Lessor and the Trustee shall be released and discharged from all liability to the extent of such payment.

SECTION 4.7. Notice of Prepayment When prepayment is authorized or required hereunder, the Trustee shall give notice of the prepayment of the affected Certificates. Written notice of any such prepayment shall be given by the Lessee to the Trustee at least thirty (30) days prior to the date of prepayment (unless a shorter time shall be acceptable to the Trustee for its convenience), and the Trustee shall thereupon give notice on behalf and at the expense of the Lessee, by mailing a copy of a prepayment notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for prepayment to each Certificate holder of the Certificates to be prepaid at the addresses shown on the Certificate registration books maintained by the Trustee; provided, however, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the CUSIP numbers, the numbers and dates of maturity of the Certificates to be prepaid; (c) the date of prepayment; (d) the prepayment price and (e) the place or places where the prepayment will be made. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount together with interest accrued to said date to be prepaid and that from and after such date the Interest Component shall cease to accrue and become payable.

Each check or other transfer of funds issued or made by the Trustee for the purpose of prepaying the Certificates shall to the extent practicable identify by designation and maturity the Certificates being prepaid with the proceeds of such check or other transfer. Failure by a Certificate holder, depository or information service listed above to receive notice as provided herein shall not affect the validity of such prepayment. Notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be prepaid shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after the date on which prepaid, interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trustee at the prepayment price. Amounts equal to the Interest Component due on or prior to the prepayment date shall be payable as herein provided for regular payments of the Interest Component. Upon surrender for any partial prepayment of any Certificate, there shall be prepared for the Certificate holder a new Certificate or Certificates in the amount of the unpaid Principal Component. All Certificates which have been prepaid shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Article XIV, Section 14.7 hereof. All prepayments shall be made in accordance with Article V, Section 5.5.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the prepayment notice. The prepayment notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of the Certificate Holders and that the Trustee and the Lessee shall not be liable in any way for inaccuracies in such numbers.

SECTION 4.8. Effect of Notice of Prepayment

(a) With respect to any notice of optional prepayment of the Certificates in accordance with Article IV, Section 4.6 hereof, in whole or in part, such notice may state that such prepayment shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys sufficient to pay the prepayment price of and accrued interest on the such Certificates to be prepaid, and that if such moneys shall not have been so received, said notice shall be of no force and effect and the Lessee and the Lessor shall not be required to prepay such Certificates or to pay any amounts to the Certificate Holders except to pay principal and interest evidenced by the Certificates in accordance with Article II, Section 2.2(b) hereof. If such conditional notice of prepayment contains such a provision and such moneys are not so received, the conditional prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of prepayment was given, that such moneys were not so received and that the conditional prepayment was cancelled. The Lessee may rescind any prepayment, and notice thereof may be rescinded by Lessee for any reason, by providing written notice of such rescission to the Trustee on any date prior to the date fixed for prepayment. Within one (1) day of receipt of such written notice, the Trustee shall give written notice of the rescission to the Certificate Holders so called for prepayment. The actual receipt by the Certificate holder of any Certificate of notice of such rescission will not be a condition precedent to such rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

(b) Notice having been given as aforesaid, and the moneys for the prepayment (including the Interest Component accruing to the applicable date of prepayment) having been set aside in the Prepayment Fund, the Certificates so called shall become due and payable on said date of prepayment, and upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid in the amount of the unpaid Principal Component, plus the Interest Component accrued and unpaid to said date of prepayment.

If, on the date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, and premium, if any, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, the Interest Component shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Certificate Holders to be so prepaid without liability for interest with respect thereto. All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof.

SECTION 4.9. Surplus Any funds remaining in the Prepayment Fund after prepayment, or provision having been made therefor satisfactory to the Trustee, including payment of any accrued interest and payment of any such applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the Lessee.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

SECTION 5.1. Security Provisions

(a) Assignment of Rights in Lease and Site Lease The Lessor has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Lease and the Site Lease (excepting only its rights to indemnification and to give approvals and consents), including but not limited to all of the Lessor's rights to receive and collect all of the Lease Payments, Additional Payments (except those Additional Payments payable to the Trustee), Additional Lease Payments, Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease or pursuant hereto. All Lease Payments, Additional Payments, Additional Lease Payments, Prepayments and such other amounts to which the Lessor may at any time be entitled shall be paid by the Lessee directly to the Trustee, and all of the Lease Payments, Additional Payments, Additional Lease Payments and Prepayments collected or received by the Lessor shall be deemed to be held and to have been collected or received by the Lessor as the agent of the Trustee, and if received by the Lessor at any time shall be deposited by the Lessor with the Trustee within one Business Day after the receipt thereof, and all the Lease Payments, Additional Payments, Additional Lease Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Article III, Section 3.1 of the Lease or Article V, Section 5.4 hereof).

(b) Security Interest in Moneys and Funds and Accounts The Lessor and the Lessee, as their interests may appear, hereby grant to the Trustee for the benefit of the Certificate Holders a lien on and a security interest in all moneys in the funds and accounts held by the Trustee under this Trust Agreement, including without limitation, the Lease Payment Fund, the Prepayment Fund, Net Insurance and Condemnation Proceeds Fund and any accounts therein, and all such moneys shall be held by the Trustee in trust and applied to the purposes specified herein and in the Lease.

(c) Security Interest in the Leased Property The Lessor and Lessee, hereby grant to the Trustee for the benefit of the Certificate Holders a lien on and a security interest in the Leased Property for the maximum Term of the Lease, which interest shall be evidenced by the filing of appropriate security instruments, signed by the Lessor, granting the Trustee a first perfected security interest in the Leased Property. Unless otherwise agreed to in writing by the Certificate Holders of not less than a majority in principal amount of Certificates then Outstanding, no lien on the Leased Property (except laborers' and mechanics' liens) senior to such lien shall be permitted.

(d) Pledge of Lease Payments The Lease Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the Interest Component and the Principal Component, and the Lease Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Lease Payments for the benefit of the Certificate Holders, as their interests may appear, in accordance with the terms hereof.

SECTION 5.2. Reserved

SECTION 5.3. Establishment of Lease Payment Fund

(a) The Trustee shall establish a special fund designated as the "City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) Lease Payment Fund" (the "Lease Payment Fund"). All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Certificate Holders. So long as any Certificates are Outstanding, neither the Lessee nor the Lessor shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

SECTION 5.4. Deposits There shall be deposited into the Lease Payment Fund all Lease Payments, Additional Payments (except those payable to the Trustee as its fees and expenses) and Lessee Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Article II, Section 2.6 herein, Article IV, Section 4.3 (regarding Lease Payments) of the Lease and any other moneys required to be deposited therein pursuant to the Lease or pursuant to this Trust Agreement. On or prior to each Lease Payment Date, the Trustee shall notify the Lessee of the amounts on deposit in the Lease Payment Fund to be credited toward the Lease Payments due from the Lessee on the next succeeding Lease Payment Date.

SECTION 5.5. Application of Moneys Except as provided in Article V, Section 5.7 or Article XIII, Section 13.5, all amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the Principal Component and Interest Component as the same shall become due and payable, in accordance with the provisions of

Article II and Article IV. Subject to Article IV, Section 13.5(a), this pledge shall constitute a first and exclusive lien on the Lease Payments in accordance with the terms hereof.

Except as provided in the previous paragraph, the Trustee shall apply moneys on deposit in the Lease Payment Fund in the following order of priority:

(a) On or before each Interest Payment Date, an amount sufficient to pay the Interest Component coming due and payable on such date shall be set aside;

(b) On or before each Principal Payment Date, an amount sufficient to pay the Principal Component with respect to the Certificates coming due and payable on such date shall be set aside by the Trustee and mailed (or sent by wire transfer, as appropriate) to the Certificate Holders of the Certificates; and

(c) To the extent that Lessee Prepayments shall be deposited to the Prepayment Fund by the date which is forty-five (45) days prior each date set for prepayment of Certificates pursuant to Article IV, Section 4.2 hereof, the amount prepaid shall be deposited into the Prepayment Fund to be applied for the prepayment of Certificates in accordance with Article IV, Section 4.2 hereof.

SECTION 5.6. Surplus Any funds remaining in the Lease Payment Fund after prepayment and payment of all Certificates Outstanding, or provision having been made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the Lessee.

SECTION 5.7. Investment Earnings The Trustee shall deposit all earnings resulting from the investment of moneys in any fund or account held under this Trust Agreement as provided in Article XIII, Section 8.3 hereof.

SECTION 5.8. Recordation and Filing The Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing and recording any amendments or supplements to the Site Lease and the Lease, all in such manner, at such times and in such places required in order fully to perfect, preserve and protect the security of the Certificate Holders. It is not anticipated that financing statements recorded on the Closing Date will be renewed or continuation statements filed in connection therewith unless otherwise directly instructed by the Lessor, upon consultation with the Lessee. The Lessee and Lessor will do whatever else necessary or reasonably required in order to perfect and continue such security interest and assignment of the Lease.

SECTION 5.9. Preservation of Lien The Trustee, at the written request and at the expense of the Lessee, and the Lessee covenant and agree to take such action as is necessary from time to time hereunder and under applicable law to preserve the priority of the pledge of the Lease Payments and other amounts pledged hereunder.

ARTICLE VI

[RESERVED]

ARTICLE VII

NET INSURANCE AND CONDEMNATION PROCEEDS FUND AND CONDEMNATION PROCEEDS

SECTION 7.1. Establishment of Net Insurance and Condemnation Proceeds Fund; Application of Net Insurance and Condemnation Proceed The Trustee shall establish a special fund, at such time as deposits are required to be made therein, to be designated as the "City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) Net Insurance and Condemnation Proceeds Fund" (the "Net Insurance and Condemnation Proceeds Fund") and shall administer such fund, and any account therein, in accordance with the provisions hereof. All moneys at any time on deposit in the Net Insurance and Condemnation Proceeds Fund shall be held by the Trustee in trust for the benefit of the Certificate Holders, and applied solely as provided herein.

The Trustee shall apply moneys on deposit in the Net Insurance and Condemnation Proceeds Fund as follows:

(a) Any Net Insurance and Condemnation Proceeds collected by the Lessee shall be transferred to the Trustee pursuant to Article VI, Section 6.2(a) of the Lease and deposited by the Trustee in the Net Insurance and Condemnation Proceeds Fund to be held in trust and applied and disbursed by the Trustee as provided in Article VI, Section 6.2 of the Lease.

(b) If any portion of the Leased Property is damaged or destroyed, or taken by condemnation proceedings, the Net Insurance and Condemnation Proceeds therefrom shall be deposited in the Net Insurance and Condemnation Proceeds Fund promptly upon receipt thereof and the Lessee shall certify to the Trustee within forty-five (45) days (i) as to whether the Leased Property has been damaged or destroyed, or taken in whole or in part, (ii) as to whether the remaining portion of the Leased Property is still useful for the purposes originally intended, and (iii) as to whether it desires that any available Net Insurance and Condemnation Proceeds from such damages recovery or condemnation proceedings be applied for replacement of the Leased Property and, if so, that sufficient funds, together with such Net Insurance and Condemnation Proceeds, have been appropriated to pay the total cost of such replacement. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in whole or in part to such extent that the remaining portion of Leased Property is no longer useful for the purposes originally intended, the Trustee shall transfer all of such Net Insurance and Condemnation Proceeds to the Prepayment Fund to be applied to the partial prepayment of Certificates. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, the Trustee shall transfer such Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be applied for replacement of the Leased Property, provided that the Lessee certifies that sufficient funds, together with such Net

Insurance and Condemnation Proceeds, have been appropriated or are otherwise available to pay the total cost of such replacement, the Trustee will disburse such Net Insurance and Condemnation Proceeds to the Lessee upon receipt of the requisition therefor in order for the Lessee to cause the Leased Property to be replaced or improved to at least the same good order, repair and condition as it was in prior to the damage or destruction or condemnation proceedings, insofar as the same may be accomplished with said funds, and the Trustee shall transfer any excess Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be credited against the Lessee's next Lease Payment. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, and the Trustee transfers funds to the Net Insurance and Condemnation Proceeds Fund, but the Lessee does not certify that there are sufficient funds to complete the replacement of the Leased Property, then the Trustee shall transfer all of such Net Insurance and Condemnation Proceeds to the related Prepayment Fund to be applied to the prepayment of the Certificates. The Lessee has covenanted in the Lease to use its best efforts to provide sufficient construction funds to make all required Lease Payments in excess of the amount of rental interruption insurance, if necessary, in order to ensure completion of the reconstruction, repair, restoration, modification or improvement of the Leased Property and the Leased Property Components.

SECTION 7.2. Excess Net Insurance and Condemnation Proceeds After all of the Certificates have been retired and the entire amount of the Principal Components and Interest Components of the Certificates have been paid in full or provision having been made therefor satisfactory to the Trustee, including payment of the Trustee's fees and expenses, the Trustee shall then pay any remaining moneys in the Net Insurance and Condemnation Proceeds Fund to the Lessee.

SECTION 7.3. Cooperation The Lessor and the Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to any part of the Leased Property; provided that the Trustee shall not be obligated to take any action if it has not been indemnified as provided herein.

ARTICLE VIII

MONEYS IN FUNDS; INVESTMENT

SECTION 8.1. Held in Trust The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Certificate Holders.

SECTION 8.2. Investments Authorized Moneys held by the Trustee hereunder, upon written order of the Lessee shall be invested and reinvested by the Trustee in Permitted Investments. Investments shall not include corporate debt other than commercial paper rated in the highest category by the Rating Agencies. The Lessee shall by written order filed with the Trustee direct such investment in specific Permitted Investments identified in such written order. Such investments, if registerable, shall be registered in the name of the Trustee or its nominee for the benefit of the Certificate Holders and held by the Trustee or held in the name of the Trustee at a bank's trust department or separate safekeeping department. Such investment direction shall be made giving full consideration for the time at which funds are required to be available based upon information provided by the Lessee. The Trustee and its affiliates may act as sponsor, advisor, purchaser or agent in the making or disposing of any investment. The Trustee covenants that in the absence of a written order of the Lessee directing investments hereunder, the Trustee shall hold such funds uninvested pending the receipt of written investment instruction. The Trustee shall not be responsible for investments complying with yield restriction requirements, other than to follow the investment instructions of the Lessee.

The Lessor and the Lessee acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Lessor or the Lessee the right to receive brokerage confirmations of securities transactions as they occur, at no additional cost, the Lessor and the Lessee specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Lessee periodic cash transaction statements as provided herein which shall include detail for all investment transactions made by the Trustee hereunder.

SECTION 8.3. Disposition of Investments Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to the fund or account from which the investment was made, except as otherwise provided herein. All earnings resulting from the investment of moneys deposited in any other fund or account held under this Trust Agreement will be retained in the fund or account in which earned and shall be applied for the purpose for which such fund or account is established.

SECTION 8.4. Accounting The Trustee shall furnish to the Lessee each month an accounting statement of all investments made by the Trustee in addition to accounting for the receipts and disbursements of the Lessee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made in accordance with this Trust Agreement, except for its own negligence and willful misconduct.

SECTION 8.5. Valuation of Investments and Accounts With respect to all funds and accounts, the Trustee shall, at the expense of the Lessee, determine the value of investments held hereunder no less often than monthly, calculated as follows: (i) the value of the securities as computed on the basis of the closing bid price quoted by Interactive Data Systems, Inc.; (ii) the valuation of the securities performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; (iii) the valuation of collateral based on the lower of two dealer bids on the valuation date, which dealers or their parent holding companies are rated at least investment grade by S&P and Moody's, are market makers in the securities being valued; (iv) as to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and (v) as to any investment not specified above, the value thereof established by the Lessee, as notified in writing to the Trustee. In making any valuations hereunder, the Trustee may utilize pricing services (including brokers and dealers in securities) available to it, including those within its regular accounting system and may conclusively rely thereon. Any Permitted Investment shall be deemed to mature on the earliest date that the issuer thereof may be required to repay the principal thereof at principal without penalty. The Trustee shall sell, or present for prepayment or redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

SECTION 8.6. Deposit and Investment of Moneys in Funds The Trustee shall have no duty or obligation to verify the legality of Permitted Investments directed by the Lessee. Each written investment direction of the Lessee shall contain a certification that such investments are Permitted Investments as defined herein.

ARTICLE IX

THE TRUSTEE

SECTION 9.1. Appointment of Trustee U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Lessor for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Lessor will maintain either U.S. Bank National Association, or a successor Trustee which successor Trustee is a commercial bank, national banking association, banking corporation or trust company having an office in Los Angeles, California, which, together with the corporate parent of such Trustee, has a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars ($75,000,000), and subject to supervision or examination by Federal or state authority, so long as any Certificates are Outstanding. If such bank, national banking association, banking corporation or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purpose of this Section, the combined capital and surplus of such bank, national banking association, banking corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or upon prepayment as provided in this Trust Agreement of Certificates prior to maturity and to cancel all Certificates upon payment or prepayment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement.

The Lessee, so long as no Event of Default shall have happened and be continuing, may remove the Trustee initially appointed, and any successor thereto, for good cause and may appoint a successor or successors thereto; *provided*, that any such successor shall be a commercial bank, national banking association, banking corporation or trust company meeting the requirements set forth in this Section. In addition, the Trustee may be removed at any time, for any breach of the trust set forth herein.

The Trustee may resign by giving prior written notice to the Lessor and the Lessee. Upon receiving such notice of resignation, the Lessor shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor thereto shall become effective upon acceptance of appointment by such successor. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor, shall be appointed. Upon such acceptance, the successor trustee shall mail notice thereof to the Certificate Holders at their respective addresses set forth on the Certificate registration books maintained pursuant to Article II, Section 2.10 hereof. If the Lessor does not name a successor Trustee within 30 days of the Trustee's removal or receipt of notice of the Trustee's resignation, then the Trustee may petition a federal or state court of proper jurisdiction to seek the immediate appointment of a successor Trustee.

Every successor Trustee appointed pursuant to this Trust Agreement shall satisfy the requirements of this Section. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

SECTION 9.2. Liability of Trustee The recitals of facts herein, in the Assignment Agreement and in the Certificates contained shall be taken as statements of the Lessee, and the Trustee assumes no, nor shall it have any, responsibility or liability for the correctness of the same, and makes no representations as to the validity or sufficiency of this Trust Agreement or the Certificates as to the value or condition of the trust estate or any part thereof, as to the title of the Lessee thereto, as to the security afforded thereby or by this Trust Agreement, as to the tax status of the Interest Component with respect to the Certificates, or as to the technical or financial viability of the Lessee, and shall incur no responsibility nor have any liability in respect thereof. The Trustee shall not be accountable in any manner whatsoever for the use or application by the Lessee of the Certificates or the proceeds thereof or of any moneys paid to the Lessee pursuant to the terms of this Trust Agreement. The Trustee shall, however, be responsible for its representations in relation to the execution of the Certificates. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the Trustee shall not be directly responsible for any misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care. The Lessee shall not be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance by the Lessee with its duties hereunder in connection with the transactions contemplated herein. The Trustee may become a Certificate holder of the Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of their officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Certificate Holders, whether or not such committee shall represent the Certificate Holders of not less than the majority in principal amount of the Certificates then Outstanding. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder or thereunder, or in the exercise of its rights or powers.

In accepting the trusts hereby created, the Trustee acts solely as Trustee for the Certificate Holders and not in its individual capacity and all persons, including without limitation the Certificate Holders, Lessor and Lessee having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee shall not be accountable for the use or application by the Lessee or any other party of any funds which the Trustee has released in accordance with the provisions of this Trust Agreement. Every provision of this Trust Agreement, the Lease, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Trust Agreement, including without limitation, this Article. The Trustee is authorized and directed to execute in its capacity as Trustee hereunder the Assignment Agreement.

The Trustee is not responsible for any official statement or any other offering material prepared or distributed with respect to the Certificates. The Trustee shall not be liable for any action taken or not taken by it in accordance with the written direction of the Certificate Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee, or in the exercise of any trust or power conferred to the Trustee under this Trust Agreement.

Prior to taking any action under Article XIII or this Article at the request of the Certificate Holders, the Trustee may require that a satisfactory indemnity bond be furnished by the Certificate Holders for the reimbursement of all expenses to which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken under Article XIII or this Article.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee shall, prior to an Event of Default, and after the curing of all Events of default which may have occurred hereunder, perform such duties and only such duties are specifically set forth herein. The Trustee shall, during the existence of any Event of Default, which has not been cured, exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as prudent persons would exercise or use under the circumstances in the conduct of their own affairs.

SECTION 9.3. Merger or Consolidation Any company or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company, banking corporation or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company, banking corporation or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or national banking association shall meet the requirements set forth in Article IX, Section 9.1 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Notice of such merger or consolidation shall be given to the Lessor and the Lessee.

SECTION 9.4. Protection and Rights of the Trustee The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, including, but not limited to, the legality of any investment in which Trustee is instructed to invest, but may, in the absence of negligence or bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Lessee, with regard to legal questions and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), in the absence of negligence or bad faith on its part, shall be deemed to be conclusively proved and established by the certificate of the Lessee's Authorized Signatory or the Lessor Representative and such certificate shall be full warranty to the Trustee, in the absence of negligence or bad faith on its part, for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable to the Trustee.

The Trustee may be or become a Certificate holder with the same rights it would have if it were not Trustee; may acquire and dispose of any bonds or other evidence of indebtedness of the Lessee with the same rights it would have if it were not the Trustee and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Certificate Holders whether or not such committee shall represent the Certificate Holders of the majority in principal amount of the Certificates then Outstanding.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Certificates, or as to the existence of an Event of Default thereunder.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

In acting or omitting to act pursuant to the Lease, the Site Lease, or any other agreement executed in connection hereof or thereof to which the Trustee is a party, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article IX.

SECTION 9.5. Compensation of the Trustee The Lessee shall on demand pay to the Trustee reasonable compensation for the Trustee's regular services hereunder as provided in the written fee schedule of the Trustee furnished to the Lessee and shall reimburse the Trustee, for all advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in the exercise and performance of its powers and duties hereunder and the Trustee shall have a lien therefor on all funds and property attributable to a defaulting party, at any time held by it under this Trust Agreement, which lien shall not be prior and superior to the lien of the Certificate Holders unless there has occurred an Event of Default in which event the lien of the Trustee shall be prior and superior to the lien of the Certificate Holders. The Lessee's obligations hereunder shall remain valid and binding, notwithstanding the maturity and payment of the Certificates. The compensation of the Trustee hereunder shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 9.6. Indemnification of Trustee To the extent permitted by law, the Lessee shall indemnify and save the Trustee and its officers, directors, employees, agents, successors or assigns harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the actions of any other party, including but not limited to the ownership, operation or use of Leased Property by the Lessee, or (ii) the Trustee's exercise and performance of its powers and duties hereunder, under the Lease, the Site Lease and any other document or transaction contemplated in connection herewith or therewith. No indemnification will be made under this Section or elsewhere in this Trust Agreement for negligence or willful misconduct under this Trust Agreement by the Trustee, its officers or employees. The Lessee's obligations hereunder shall remain valid and binding notwithstanding the defeasance, maturity and payment of the Certificates or the resignation or removal of the Trustee.

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

SECTION 10.1. Amendments Permitted This Trust Agreement and the rights and obligations of the Certificate Holders and the Lease and the Site Lease and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, which shall become effective when the written consent of the Corporation shall have been filed with the Trustee, without any further agreement, action or consent. Any such supplemental agreement shall be provided by the Lessee to the S&P at least (10) days prior to the effective date thereof.

In executing, or accepting the additional trusts created by, any supplemental trust agreement permitted by Article X, Section 10.1 or the modification thereby of the trusts created by this Trust Agreement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental trust agreement is authorized or permitted by this Trust Agreement and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such supplemental trust agreement which affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

SECTION 10.2. Disqualified Certificates Certificates actually known by a Responsible Officer of the Trustee to be owned or held by or for the account of the Lessee or the Lessor or by any person directly or indirectly controlled by, or under direct or indirect common control of, the Lessee or the Lessor (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement unless 100% in aggregate principal amount of the Certificates are so owned. Upon request of the Trustee, the Lessor or the Lessee shall specify to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certification.

SECTION 10.3. Effect of Supplemental Agreement From and after the time any supplemental agreement becomes effective pursuant to this Article, this Trust Agreement or the Lease, shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the parties hereto or thereto and all Certificate Holders Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder and thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease, as the case may be, for any and all purposes.

SECTION 10.4. Endorsement or Replacement of Certificates Delivered After Amendments The Lessee may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement, in form approved by the Lessee and the Trustee, as to such action. In that case, upon demand of any Certificate holder Outstanding at such effective date and presentation of his Certificate for that purpose at the office of the Trustee, a suitable notation shall be made on such Certificate. The Lessee may determine that new Certificates, so modified as in the opinion of the Lessee is necessary to conform to such Certificate holder's action, shall be prepared, executed and delivered. In that case, upon demand of the Certificate holder of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office of the Trustee without cost to such Certificate holder, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

SECTION 10.5. Amendatory Endorsement of Certificates Subject to Article X, Section 10.1, the provisions of this Article shall not prevent any Certificate holder from accepting any amendment as to the particular Certificates held by such Certificate holder.

SECTION 10.6. Execution of Supplemental Agreements The Trustee shall not be obligated to execute any supplemental agreement affecting its rights, duties, protections, immunities and indemnities accorded to it under this Trust Agreement. Prior to its execution of a supplemental agreement, the Trustee is entitled to receive, at the expense of the Lessee, an opinion of counsel stating that the execution of such amendment is authorized or permitted under this Trust Agreement.

ARTICLE XI

COVENANTS; NOTICES

SECTION 11.1. Compliance with and Enforcement of the Lease The Lessee covenants and agrees with the Certificate Holders to perform all obligations and duties imposed on them, respectively, hereunder and under the Lease. The Lessor covenants and agrees with the Certificate Holders to perform all obligations and duties imposed under the Lease. The Lessee will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Lessor thereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting the estate, in the Leased Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

SECTION 11.2. Lessee's Budget Pursuant to the Lease, the Lessee shall supply to the Trustee, prior to the beginning of the fiscal year, a certification that the Lessee has made adequate provision in its proposed annual budget for the payment of Lease Payments due under the Lease in the fiscal year covered by such budget. The certification given by the Lessee to the Trustee shall be to the effect that the amounts so budgeted are fully adequate for the payment of all Lease Payments due under the Lease in such fiscal year. If the certification states that the amounts so budgeted are not stated to be adequate for the payment of Lease Payments due under the Lease, the Trustee shall notify the Lessee to take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the Lessee in the ensuing fiscal year for the payment of Lease Payments due under the Lease and shall notify the Trustee of the proceedings then taken or proposed to be taken by the Lessee; and the Trustee shall forward a copy of such notice to the Lessee. The Trustee shall be protected in relying upon any certification or such notice from the Lessee, and the Trustee shall have no further responsibility for the evaluation of such budget data. The Lessee shall keep the Trustee advised of all proceedings thereafter taken by the Lessee.

SECTION 11.3. Investments The Lessee hereby authorizes the Trustee to invest funds and accounts attributable to the Leased Property in Permitted Investments. To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor and the Trustee and each of their respective successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any act or negligence with respect to the investment of funds and accounts pursuant to the Lease or this Trust Agreement.

SECTION 11.4. Continuing Disclosure Agreement Notwithstanding any other provision herein, failure of the Lessee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under this Trust Agreement, and the rights and remedies provided by this Trust Agreement upon the occurrence of an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

SECTION 11.5. Further Assurances The Lessor and the Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Certificate Holders of the rights and benefits provided herein.

ARTICLE XII

LIMITATION OF LIABILITY

SECTION 12.1. Limited Liability of the Lessee Except for the payment of Lease Payments, Additional Payments and Prepayments when due in accordance with the Lease and the performance of the other covenants and agreements of the Lessee contained herein and in the Lease, the Lessee shall have no obligation or liability to any of the other parties or to the Certificate Holders with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Certificate Holders by the Trustee.

SECTION 12.2. No Liability of the Lessee or Lessor for Trustee Performance Except as expressly provided herein, neither the Lessee nor the Lessor shall have any obligation or liability to any of the other parties or to the Certificate Holders with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 12.3. Limited Liability of Trustee The Trustee shall have no obligation or responsibility for providing information to the Certificate Holders concerning the investment character of the Certificates, for the sufficiency or collection of the Lease Payments or other moneys required to be paid to it under the Lease (except as provided in this Trust Agreement) or for the actions or representations of any other party to this Trust Agreement. The Trustee shall have no obligation or liability to any of the other parties or the Certificate Holders with respect to this Trust Agreement or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement and the Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the Lessee or the Lessor (as the case may be), and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Trust Agreement or of the Certificates, shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

SECTION 12.4. Opinion of Counsel Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon. The Trustee shall not be responsible or liable for any losses suffered in connection with any investment of funds made by it under the terms of and in accordance with this Trust Agreement.

SECTION 12.5. Limitation of Rights to Parties and Certificate Holders Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the Lessee, the Lessor, the Trustee and the Certificate Holders, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the Certificate Holders.

ARTICLE XIII

ASSIGNMENT OF RIGHTS; EVENTS OF DEFAULT AND REMEDIES OF OWNERS

SECTION 13.1. Assignment of Rights Pursuant to the Assignment Agreement, the Lessor has transferred, assigned and set over to the Trustee for the benefit of the Certificate Holders (1) all of the Lessor's rights to receive Lease Payments and Prepayments without recourse to be paid by the Lessee under and pursuant to the Lease and the Site Lease and (2) effective immediately upon the occurrence of an Event of Default under the Lease or the Site Lease and without further action on the part of the Lessor, such rights and remedies of the Lessor under the Lease and the Site Lease, as applicable, as may be necessary or convenient (i) to enforce payment of the Lease Payments, Prepayments and any other amounts required to be deposited in the Lease Payment Fund, the Net Insurance and Condemnation Proceeds Fund and Prepayment Fund, or (ii) otherwise to protect the interests of the Certificate Holders or the Trustee upon the occurrence of an Event of Default.

SECTION 13.2. Events of Default Defined The following shall be "Events of Default" under this Trust Agreement:

(a) An Event of Default shall have occurred under Article IX, Section 9.1 of the Lease or Article XI, Section 11 of the Site Lease.

(b) Failure by the Lessee or the Lessor to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an Event of Default under clause (a) of this Section 13.2, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee and Lessor by the Trustee or to the Lessee and the Lessor by the Certificate Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding or if the failure stated in the notice cannot be corrected within such thirty (30) day period, where the Lessee shall fail to institute corrective action within such thirty (30) day period and diligently pursue the same to completion.

SECTION 13.3. Notice of Events of Default If an Event of Default shall occur and be continuing, the Trustee shall give notice of such Event of Default to the Certificate Holders. Such notice shall identify the party in default and shall provide a brief description of such Event of Default. The Trustee in its discretion may withhold such notice if it deems it in the best interests of the Certificate Holders. The notice provided in this Section 13.3 shall be given by registered or certified mail to the Certificate Holders within thirty (30) days of such occurrence of the Event of Default.

SECTION 13.4. Remedies If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease under which such Event of Default has occurred; provided, however, that notwithstanding anything herein or in the Lease to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare the Lease Payments not then in default to be immediately due and payable.

Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Lessee, the Lessor, the Trustee, and the registered owners of the Certificates, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the registered Certificate Holders.

SECTION 13.5. Application of Funds All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or of Article IX of the Lease and any other funds then held by the Trustee, shall be deposited into the Lease Payment Fund and be applied by the Trustee in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

(a) First, to the payment of the fees, costs and expenses of the Trustee (including reasonable compensation to its agents, attorneys and counsel) incurred in connection with the performance of its powers and duties under this Trust Agreement and the Lease;

(b) Second, to the payment to the persons entitled thereto of all amounts representing the Interest Component then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any Interest Component maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

(c) Third, to the payment to the persons entitled thereto of the unpaid Principal Component which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest due with respect to the overdue Principal Component or Interest Component at a rate equal to the rate paid on the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due on the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amount of the Principal Component due on such date to the persons entitled thereto, without any discrimination or preference;

(d) Fourth, to the extent not included in (a), (b), or (c) above to the payment of the fees, costs and expenses of the Certificate Holders (including reasonable compensation to its or their agents, attorneys and counsel) in declaring an Event of Default.

SECTION 13.6. Institution of Legal Proceedings If one or more Events of Default shall occur and be continuing, the Trustee in its discretion may, and upon the written request of the Certificate Holders of not less than a majority in principal amount of the Certificates then Outstanding received by the Trustee at its Principal Corporate Trust Office, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Certificate Holders by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or in the Lease, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as shall be deemed most effectual in support of any of its rights or duties hereunder. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificate holder any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Certificate holder thereof, or to authorize the Trustee to vote in respect of the claim of any Certificate holder in any such proceeding without the approval of the Certificate Holders so affected.

SECTION 13.7. Non-waiver Nothing in this Article or in any other provision of this Trust Agreement or in the Certificates shall affect or impair the obligations of the Lessee, which obligations are absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease. No delay or omission of the Trustee or of any Certificate holder of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or to the Certificate Holders may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Holders.

SECTION 13.8. Remedies Not Exclusive No remedy herein conferred upon or reserved to the Trustee or to the Certificate Holders is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 13.9. Power of Trustee to Control Proceedings If the Trustee, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Certificate Holders of not less than a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Certificate Holders with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Certificate Holders of at least a majority in principal amount of the Outstanding Certificates hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 13.10. Limitation on Certificate Holders' Right to Sue No Certificate holder of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Certificate holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Lease; (b) the Certificate Holders of not less than a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers herein before granted or to institute such action, suit or proceeding in its own name; (c) said Certificate Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Certificate holder of Certificates of any remedy hereunder; it being understood and intended that no one or more Certificate Holders shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal benefit of all Certificate Holders of the Outstanding Certificates.

The right of any Certificate holder of any Certificate to receive payment of said Certificate holder's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Certificate holder, notwithstanding the foregoing provisions of this Section 13.10 or any other provision of this Trust Agreement.

SECTION 13.11. Agreement to Pay Attorneys' Fees and Expenses If the Lessee or the Lessor should default under any of the provisions hereof and the non-defaulting party or parties should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party or parties; provided, however, that the Trustee shall not be required to expend its own funds for any payment described in this Section.

SECTION 13.12. No Liability by the Lessor Except as Expressly Provided Herein The Lessor shall not have any obligation or liability to the Certificate Holders with respect to the payment when due of the Lease Payments by the Lessee, or with respect to the performance by the Lessee of the other agreements and covenants required to be performed by it contained in the Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.1. Defeasance Defeasance shall be deemed to occur if any or all Outstanding Certificates are paid and discharged in any one or more of the following ways:

(a) By well and truly paying or causing to be paid the Principal Components and Interest Components and prepayment premiums, if any, on all or a portion of the Certificates Outstanding, as and when the same become due and payable;

(b) If prior to maturity and having given notice of prepayment by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which, together with available amounts then on deposit in the Lease Payment Fund, is sufficient to pay all or a portion of the Certificates Outstanding, including all Principal Components, Interest Components, and prepayment premium, if any;

(c) By irrevocably depositing with the Trustee, in trust, noncallable, nonprepayable Defeasance Obligations in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit and available in the Lease Payment Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all Principal Components and Interest Components represented thereby and prepayment premium, if any) at or before their maturity date and the fees and expenses of the Trustee have been paid in full; or

(d) By irrevocably depositing with the Trustee security for the payment of all or a portion of Lease Payments as more particularly described in Article X, Section 10.1 of the Lease, said security to be held by the Trustee as agent for the Lessee to be applied by the Trustee to pay the Lease Payments as the same become due and payable and make a Prepayment in full on the Lease Payment Date pursuant to Article X, Section 10.1 of the Lease.

To accomplish defeasance, the Lessee shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date (a "Verification"), (ii) an escrow deposit agreement, (iii) an opinion of nationally recognized special counsel addressed to the Trustee to the effect that the Certificates are no longer "Outstanding" under this Trust Agreement and (iv) a certificate of discharge of the Trustee which may rely on the Verification with respect to the Certificates; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Lessee and the Trustee. The Certificate shall be deemed "Outstanding" under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Lessor, the Trustee and the Lessee with respect to all or a portion of Outstanding Certificates shall cease and terminate, except only the obligations of the Lessee and the Lessor under Article XI, Sections 11.6 and 11.7 hereof, the obligations of the Lessee under Article IX, Section 9.6 hereof, the obligation of the Trustee pursuant to Article II, Section 2.7 hereof and its obligations to pay or cause to be paid, from Lease Payments paid by or on behalf of the Lessee from funds deposited pursuant to paragraphs (b) through (d) of this Section, to the Certificate Holders of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to such paragraphs, the Certificates shall continue to evidence and represent direct and proportionate interests of the Certificate Holders thereof in Lease Payments.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (b) through (d) of this Section, which are not required for the payment to be made to Certificate Holders, as verified by a certified public accountant, shall be paid over to the Lessee pursuant to the Lessee's written request therefor; provided that the fees and expenses of the Trustee have been fully paid.

SECTION 14.2. Records The Trustee shall keep complete and accurate records of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the Lessee, the Lessor and any Owner, or the agent of any of them, at any time during regular business hours with reasonable prior notice.

SECTION 14.3. Notices All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice to the Trustee shall be effective upon receipt, and notice to the other parties shall be deemed effective upon receipt and shall be deemed to have been received upon the earlier of actual receipt or five Business Days after deposit in the United States mail, in certified form, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Lessee:

City of La Puente
15900 East Main Street
La Puente, CA 91744
Attention: City Manager

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

If to the Lessor: Public Property Financing Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: Bill Morton, President

SECTION 14.4. Governing Law This Trust Agreement shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed therein.

SECTION 14.5. Binding Effect; Successors This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Lessor, the Lessee or the Trustee are named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Lessor, the Lessee or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 14.6. Execution in Counterparts; Electronic Signatures This Trust 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 agreement. Each of the parties hereto agrees that the transaction consisting of this Trust Agreement may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that if such party signs this Trust Agreement using an electronic signature it is signing, adopting, and accepting this Trust Agreement and that signing this Trust Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Trust Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Indenture in usable format.

SECTION 14.8. Destruction of Canceled Certificates Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the Lessor of any Certificates, the Lessee's Authorized Signatory may request the Trustee to furnish to the Lessee a certificate of destruction of such Certificates, upon their destruction.

SECTION 14.9. Headings The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.

SECTION 14.10. Waiver of Notice Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14.11. Interested Parties Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Lessee, the Trustee and the Certificate Holders, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulation, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Trustee and the registered owners of the Certificates.

SECTION 14.12. Severability of Invalid Provisions In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant to this Trust Agreement, irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Remainder of page intentionally left blank.]

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

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ____________________________________
Authorized Signatory

PUBLIC PROPERTY FINANCING CORPORATION, as Lessor

By: ____________________________________
President

CITY OF LA PUENTE, as Lessee

By: ____________________________________
City Manager

EXHIBIT A

FORM OF CERTIFICATE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CITY OF LA PUENTE CERTIFICATES OF PARTICIPATION,
2020 SERIES A (FEDERALLY TAXABLE)

Evidencing the Proportionate Undivided Interest of the Owner
Hereof in Lease Payments to Be Made by

CITY OF LA PUENTE

Pursuant to Lease Agreement with

[_________________] CORPORATION

Interest Rate	Maturity Date	Dated Date	CUSIP No.
%			

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns (the "Certificate holder") of this Certificate of Participation (the "Certificate") is the owner of a proportionate and undivided interest in the right to receive and collect certain Lease Payments, Additional Payments and Prepayments (as defined in the Trust Agreement) to be made by the CITY OF LA PUENTE, a general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as Lessee (the "Lessee") pursuant to the Lease Agreement, dated as of October 1, 2020 (the "Lease"), by and between the [CORPORATION], a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Lessor"), and the Lessee, which Lease Payments and certain other rights and interests under the Lease have been assigned to U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee") under the Trust Agreement, dated as of

October 1, 2020 (the "Trust Agreement"), by and among the Lessee, the Lessor and the Trustee. The Certificates are being executed and delivered in order to obtain funds to finance the acquisition, construction and/or installation of certain improvements for the benefit of the Lessee, and to pay the costs of execution and delivery of the Certificates. Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Trust Agreement or the Lease, as applicable.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the maturity date specified above (the "Principal Payment Date"), the principal amount specified above, representing a portion of the Lease Payments designated as principal (the "Principal Component"), and to receive on ________ 1, 20__, and semiannually thereafter on _______ 1 and ______ 1 of each year (each, an "Interest Payment Date") until payment in full of said Principal Component, the Registered Owner's portion of the Lease Payments designated as interest (the "Interest Component") coming due during the six months immediately preceding each of the Payment Dates (collectively, each Principal Payment Date and Interest Payment Date is hereinafter referred to as a "Payment Date"); *provided*, that such Interest Component shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate (unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates).

The "Record Date" is the close of business on the fifteenth day of the month preceding a Payment Date, whether or not such day is a business day. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or any Certificate selected for prepayment. The Interest Component is the result of the multiplication of the Principal Component by the rate per annum identified above. Interest with respect to the Certificates shall be calculated on the basis of a 360-day year, comprised of twelve months of 30 days each. Such amounts are payable by check in lawful money of the United States of America. The amount representing Principal Component payable at maturity or upon prepayment in whole is payable to the Registered Owner by wire transfer or check of the Trustee upon presentation and surrender of this Certificate at the Principal Corporate Trust Office. The amounts representing Interest Component are payable by check mailed on the applicable Interest Payment Date by first class mail by the Trustee to the Registered Owner hereof at his address as it appears on the registration books of the Trustee or by wire transfer to a bank account in the United States in the case of Registered Owners owning $1,000,000 or more in aggregate principal amount of Certificates who have furnished instructions in writing to the Trustee at least 15 days prior to the Record Date for the related Payment Date.

The total amount of each payment made to the Registered Owner of this Certificate is comprised of interests in the Principal Component and Interest Component of Lease Payments made by the Lessee.

This Certificate has been executed and delivered by the Trustee pursuant to the Trust Agreement. The Lessee is authorized to enter into the Lease and the Trust Agreement under the Constitution and the laws of the State of California. Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are executed and delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Lessee under the Lease, to all of the provisions of which the Lease and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The Lessee is obligated to pay Lease Payments from any source of legally available funds, and the Lessee has covenanted in the Lease to make the necessary annual appropriations therefor. The obligation of the Lessee to pay the Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which such Lessee has levied or pledged any form of taxation. The obligation of the Lessee to pay the Lease Payments does not constitute a debt of the Lessee, the State of California or any of its political subdivisions, and does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Under certain circumstances, the Lessee is not obligated to make Lease Payments due to the loss or destruction of all or a portion of the Leased Property.

The Certificates are subject to prepayment as set forth in the Trust Agreement. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the Interest Component shall cease to accrue with respect hereto from and after the date fixed for prepayment. The provisions of the Trust Agreement may be amended by the parties thereto to the extent and in the manner permitted by the terms of the Trust Agreement.

This Certificate is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, at the Principal Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates, of Authorized Denomination or denominations, for the same aggregate Principal Component, maturity and interest rate, will be delivered to the transferee. This Certificate also may be exchanged for a like aggregate Principal Component of Certificates of other Authorized Denominations as prescribed in the Trust Agreement. The Lessee, the Lessor and the Trustee may treat the Registered Owner hereof as the absolute Owner hereof for all purposes whether or not this Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

THIS IS TO FURTHER CERTIFY that all acts, conditions and things required by the Trust Agreement to exist, to have happened and to have been performed by or in relation to the Trustee precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate, and that the Principal Component of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the Principal Components of Certificates authorized to be executed and delivered thereunder.

THE LESSEE HAS CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of California and the provisions of the Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO THE REGISTERED OWNERS TO MAKE PAYMENTS OF PRINCIPAL COMPONENTS OR INTEREST COMPONENTS OR LEASE PAYMENTS PERTAINING TO THE CERTIFICATES EXCEPT FROM LEASE PAYMENTS PAID TO THE TRUSTEE AND FROM THE VARIOUS FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE TRUST AGREEMENT PROVIDES THAT THE RECITALS OF FACTS, COVENANTS AND AGREEMENTS IN THE CERTIFICATE SHALL BE TAKEN AS STATEMENTS, COVENANTS AND AGREEMENTS OF THE LESSEE, AND THE TRUSTEE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF THE SAME.

The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ____________________________________
Authorized Signatory

Date of Execution: __________, 20__

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the Undersigned hereby sells, assigns and transfers unto: ____ (please print or typewrite name, address and social security or other identifying number of Transferee) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: ____ attorney, to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

Signature Guaranteed By:

____

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

Notice: The signature to this assignment must correspond with the signature as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

SCHEDULE OF PRINCIPAL AND INTEREST COMPONENTS

Payment Dates	Principal Components	Interest Components	Total

EXHIBIT C

RESERVED

EXHIBIT D

FORM OF REQUISITION – COSTS OF DELIVERY FUND

U.S. Bank National Association, as Trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

RE: Disbursement from the Costs of Delivery Fund pursuant to the Trust Agreement, dated as of [October 1, 2020] (the "Trust Agreement") by and among the City of La Puente, as Lessee, the ________________ Corporation, as Lessor, and the Trustee

REQUISITION NO. __

The undersigned hereby states and certifies:

1. That he/she is the duly appointed, qualified and acting ____________ of the Lessee, which is duly organized and existing under and by virtue of the Constitution and laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

2. That, pursuant to Article III of the Trust Agreement, the Trustee is hereby requested to disburse from the Costs of Delivery Fund established under the Trust Agreement to the designated payees the amounts set forth opposite such designations for the purposes set forth on Schedule I hereto;

3. That each obligation set forth herein is a proper charge against the Costs of Delivery Fund and has not been the basis of any prior disbursement;

4. That the amount of each disbursement requested herein is for payment authorized under the Trust Agreement;

5. That the amount remaining in the Costs of Delivery Fund after payment of the amount set forth in this Requisition is adequate under Trust Agreement;

6. That no Event of Default, and no event which with notice or lapse of time would constitute an Event of Default, has occurred and is continuing under the Lease;

7. That set forth opposite each obligation in <u>Exhibit A</u> attached hereto is a description of the nature of such obligation; and

8. That accompanying this Requisition is a bill or statement of account for each obligation included in Exhibit A.

Dated: __________, 20__

CITY OF LA PUENTE, as Lessee

By: ___________________________________
Authorized Signatory

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2020

NRF DRAFT 10/6/2020

NEW ISSUE BOOK-ENTRY-ONLY **RATING: (See "RATING" herein.)**

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Special Counsel to the City ("Special Counsel"), interest evidenced by the Certificates is exempt from personal income taxes imposed by the State of California. Interest evidenced by the Certificates is includable in the gross income of the owners thereof for federal income tax purposes. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest evidenced by the Certificates. See "TAX MATTERS" herein.

$8,485,000*
CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION 2020 SERIES A
(FEDERALLY TAXABLE)

Dated: Date of Delivery **Due: October 1, as shown on the inside cover**

The City of La Puente, Certificate of Participation, 2020 Series A (Federally Taxable) (the "Certificates") evidence the proportionate undivided interests of the Owners thereof in the Lease Payments (as defined herein) to be made pursuant to a Lease Agreement (as defined herein) by and between the Public Property Financing Corporation (the "Corporation") and the City of La Puente, as Lessee (the "Lessee" or the "City"), and a Trust Agreement, dated as of October 1, 2020, by and among the Corporation, the Lessee and U.S. Bank National Association, as Trustee (the "Trustee"). The Certificates are being executed and delivered to (i) finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities and (ii) pay delivery costs of the Certificates. See "PLAN OF FINANCE." The Certificates will be delivered in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the Certificates will not receive certificates representing their interests therein.

Interest due with respect to the Certificates is payable semiannually on April 1 and October 1 of each year, commencing April 1, 2021 (each, a "Payment Date"). On each Payment Date, the Trustee will make all payments of principal, premium, if any, and interest, for so long as the Certificates are registered in the name of Cede & Co., to DTC, which, in turn, is obligated to remit such principal, premium, if any, and interest to DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Certificates. Principal with respect to the Certificates is payable upon surrender of the Certificates at maturity or earlier prepayment at the principal corporate trust office of the Trustee in St. Paul, Minnesota. The Certificates are to be delivered as fully registered certificates without coupons, in authorized denominations of $5,000 or any integral multiple thereof.

The Certificates are subject to optional and mandatory prepayment as described herein. See the caption "THE CERTIFICATES – Optional Prepayment," "– Mandatory Prepayment From Net Insurance and Condemnation Proceeds" and "– Mandatory Sinking Fund Prepayment" herein.

[A reserve fund is not being established for the Certificates.]

The Lessee has covenanted under the Lease Agreement that, so long as the Leased Property (as defined herein) is available for the Lessee's use, it will take such action as may be necessary to include in its annual budgets all of its Lease Payments due in each fiscal year and to make the necessary annual appropriations therefor, subject to abatement thereof in the event of damage, destruction, condemnation or any defect of title which substantially interferes with the Lessee's use and right of possession of the Leased Property. See "RISK FACTORS – Abatement" herein.

The obligation of the Lessee to make Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which the Lessee has levied or pledged any form of taxation. Neither the Certificates nor the obligation of the Lessee to make Lease Payments under the Lease Agreement constitutes a debt of the Lessee, the Corporation, the State of California or any of its political subdivisions within the meaning of the Constitution of the State of California or otherwise, or a pledge of the full faith and credit of any of the foregoing.

MATURITY SCHEDULE
On Inside Cover

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Certificates. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Certificates are offered when, as and if executed and delivered and accepted by the Underwriter, subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Special Counsel to the City. Certain legal matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California, as Underwriter's Counsel and for the City by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel and by the City Attorney. Certain legal matters will be passed on for the Corporation by Parker & Covert, LLP, Tustin, California. It is anticipated that the Certificates will be available through the facilities of DTC on or about October __, 2020

.

Hilltop Securities Inc.

Dated: October __, 2020

* Preliminary, subject to change.

MATURITY SCHEDULE

$8,485,000*
City of La Puente
Certificates of Participation 2020 Series A
(Federally Taxable)

Price: ___%

(Base CUSIP No.† ______)

Maturity (October 1)	Principal Component	Interest Rate	Yield	CUSIP†
	$	%	%	

$__________ _____% Term Certificates due ____________, Yield: _____%
CUSIP†:

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Ratings on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Corporation, the Underwriter or the Municipal Advisor is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Certificates as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

CITY OF LA PUENTE

CITY COUNCIL

Charlie Klinakis, Mayor
Violeta Lewis, Mayor Pro Tem
Valerie Muñoz, Councilmember
John M. Solis, Councilmember
Vacant, Councilmember

CITY STAFF

Robert Lindsey, City Manager
Troy Grunklee, Director of Administrative Services/Chief Financial Officer
James M. Casso, City Attorney
Sheryl Garcia, City Clerk/Secretary

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

Board of Directors

Name	Term Expires
William J. Fawell – Chairman	January 31, 2021
William A. Morton – Secretary	January 31, 2021
Stefan A. Morton – Treasurer	January 31, 2021
Stephen M. Dewar – Member	January 31, 2021
Christopher Laubach – Member	January 31, 2021

SPECIAL SERVICES

Special Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor

Willdan Financial Services
Temecula, California

Trustee

U.S. Bank National Association
Los Angeles, California

[add in memoriam page for Dan Holloway with picture?]

Councilmember Holloway served in the Navy and was an active community member starting his political career in the mid-1990s. He was first elected to City Council in 2007 and served as Mayor three times throughout his career. He was a member of the American Legion and helped designed La Puente's Veterans Memorial at City Hall. Dan Holloway proudly provided a lifetime of service to his family, community, and his nation. He is survived by his wife Hilda and four children.

No dealer, broker, salesperson or other person has been authorized by the Corporation, the Lessee or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation, the Lessee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

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

The information set forth in this Official Statement has been obtained from the Lessee, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the Lessee or the Corporation since the date hereof. All summaries of the Certificates, Lease Agreement, Site Lease, Trust Agreement, Assignment Agreement, and Continuing Disclosure Agreement (each as defined herein) and other documents, are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions.

This Official Statement is submitted in connection with the execution and delivery of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") website.

The City maintains a website with information pertaining to the City. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the Certificates.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as otherwise noted, neither the City nor the Corporation plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

101015609.7

OFFICIAL STATEMENT

$8,485,000*
City of La Puente
Certificates of Participation 2020 Series A
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, the inside cover page and attached appendices, provides certain information in connection with the sale and delivery of the $[PAR AMOUNT] City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) (the "Certificates"). Capitalized terms used and not otherwise defined herein shall have the meanings given in the Trust Agreement or the Lease Agreement (each as hereinafter defined) or in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" attached hereto.

Purpose of the Certificates

The City of La Puente (the "Lessee") will execute a Site Lease, dated as of October 1, 2020 (the "Site Lease"), pursuant to which the Lessee will lease certain real property (the "Leased Property") to the Corporation. The Certificates evidence and represent the proportionate undivided interest of the registered owners thereof (the "Owners") in lease payments (the "Lease Payments") to be made by the Lessee as the rental for the use and possession of the Leased Property to be leased from the Public Property Financing Corporation (the "Corporation") pursuant to a Lease Agreement, by and between the Corporation and the Lessee, dated as of October 1, 2020 (the "Lease Agreement"). Pursuant to the Assignment Agreement, dated as of October 1, 2020, by and between the Corporation and the Trustee (the "Assignment Agreement"), the Corporation has assigned to the Trustee, for the benefit of the Owners, its rights under the Lease Agreement, including (i) its right to amounts payable by the Lessee under the Lease Agreement, (ii) its right to receive the proceeds of casualty and rental interruption insurance on the Leased Property and (iii) its right to enforce payment of amounts due upon default. The Certificates are being executed, sold and delivered pursuant to a Trust Agreement, dated as of October 1, 2020 (the "Trust Agreement"), by and among the Lessee, the Corporation and U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings set forth in the Trust Agreement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" attached hereto.

The Certificates are being executed and delivered to (i) finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities and (ii) pay costs of delivery in connection with the Certificates. The Leased Property consists of certain real property of the Lessee as described herein. See "LEASED PROPERTY" herein. The Leased Property has an annual fair market rental value of not less than the maximum annual Lease Payments.

* Preliminary, subject to change

City Pension and OPEB Funding Policy

Like most municipalities throughout the State, the City is incurring rising pension costs and growing unfunded pension and other post-employment benefit liabilities. On [October 13, 2020], the City Council of the City adopted a pension and other post-employment benefit ("OPEB") funding policy to assist City planning for these challenges. The policy, among other things, provides guidance to City decision-makers when making annual budget decisions and is intended to demonstrate prudent financial management practices and to create sustainable and affordable budgets for pension and OPEB obligations.

The execution and delivery of the Certificates is part of the City's strategy under the funding policy to address a significant unfunded liability to each of the City's plans with California Public Employees' Retirement System's ("CalPERS") as well as OPEB liabilities. In addition to creating a more affordable and sustainable shape for its pension and other retiree benefit costs, the City has determined that the Certificates should help create enhanced resiliency for the General Fund of the City to handle adverse economic situations in the future.

COVID-19 Pandemic

The outbreak of the novel coronavirus ("COVID-19") has affected travel, commerce and financial markets globally, and is widely expected to negatively impact national, state and local economies including the economy of the State of California and the City. **Any financial information, including projections, forecasts and budgets presented in this Official Statement do not yet account for the potential effects of COVID-19, unless specifically indicated otherwise.**

The degree of any such impact to the operations and finances of the City is extremely difficult to predict due to uncertainties related to the dynamic nature of the COVID-19 pandemic and accompanying economic consequences, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate spread within the City and local area, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its continuing impact. Nonetheless, there can be no assurances that the spread of COVID-19 will not materially and adversely impact the financial condition and operations of the City. For a further discussion on the impact of the COVID-19 pandemic on the City, see "THE CITY – Management Discussion; COVID-19 Pandemic" and "RISK FACTORS – COVID-19 Pandemic."

Security for the Certificates

The Lessee is required to pay to the Trustee, as assignee of the Corporation, the Lease Payments for use and possession of the Leased Property, which amounts are intended to be sufficient in both time and aggregate amount to pay, when due, the principal and interest payable with respect to the Certificates. See "THE CERTIFICATES – Security for the Certificates and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Lease Payments" attached hereto. In the Lease Agreement, the Lessee has covenanted that it will take such actions as may be necessary to include in its annual budgets all of the Lease Payments due in each fiscal year with respect to the Leased Property and to make the necessary annual appropriations therefor. **The obligation of the Lessee to make Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to pledge any form of taxation or for which the Lessee has levied or pledged any form of taxation. Neither the Certificates nor the obligation of the Lessee to make Lease**

Payments constitutes an indebtedness of the Lessee, the Corporation, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

For certain financial and demographic information concerning the Lessee, see APPENDIX A – SELECTED DEMOGRAPHIC AND FINANCIAL INFORMATION RELATING TO THE CITY OF LA PUENTE and APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 attached hereto.

Investors are advised that if the City were to file a petition under Chapter 9 ("Chapter 9") of the Bankruptcy Code (Title 11, United States Code), the Owners of the Certificates and the Trustee could be prohibited or severely restricted from taking any steps to enforce their rights under the Trust Agreement. See "RISK FACTORS – Bankruptcy" herein.

No Debt Service Reserve Fund

[discuss]

The City

The City was incorporated as a general law city in 1956. The City is located in the County of Los Angeles (the "County"), and has a boundary of approximately 3.5 square miles. The City operates under the Council-Manager member form of government. The five City Council members, including the Mayor, are elected to four year terms on alternate slates every two years. The Mayor and the Mayor Pro Tem are selected by the City Council to serve two-year terms. The City Council appoints a City Manager. The population of the City was approximately 40,600 as of January 1, 2020. See "THE CITY – General" and APPENDIX A – "SELECTED DEMOGRAPHIC AND FINANCIAL INFORMATION RELATING TO THE CITY OF LA PUENTE" attached hereto.

The Corporation

The Public Property Financing Corporation of California, a nonprofit public benefit corporation, was incorporated on April 18, 1991 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporation Code). See "THE CORPORATION."

Continuing Disclosure

The Corporation has determined that no financial or operating data concerning the Corporation is material to any decision to purchase, hold or sell the Certificates and as such, the Corporation will not provide any such information.

The City has agreed to provide, with respect to the Certificates, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (the "EMMA System"), certain annual financial information and operating data relating to the City and, in a timely manner, notice of certain events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12, as amended (the "Rule 15c2-12") adopted by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto for a description of the annual reports and notices of enumerated events to be provided by the City. The City has adopted a written Disclosure Policy to assist City staff in complying with the requirements of Rule 15c2-12.

THE CERTIFICATES

General Provisions

The Certificates will be executed, sold and delivered in the aggregate principal amount of \$8,485,000*, will be dated their date of delivery, and will represent and evidence interest from such date, at the rates per annum set forth on the inside cover page hereof. The Certificates will be payable semiannually on April 1 and October 1, commencing on April 1, 2021 (each, a "Payment Date"). The Certificates will mature on October 1 in each of the designated years and in the principal amounts shown on the inside cover page hereof.

The Certificates evidence and represent direct and proportionate undivided interests of the Owners thereof in the Lease Payments to be made by the Lessee. The total amount of each payment of principal and interest with respect to the Certificates, made to the Owners of the Certificates is comprised of various portions of the Lease Payments paid by the Lessee on the Payment Dates.

The Certificates will be executed, sold and delivered in fully registered form without coupons, in denominations of \$5,000 each or any integral multiple thereof. On each Payment Date, the Trustee will, for so long as the Certificates are registered in the name of Cede & Co., make payments of principal, premium, if any, and interest with respect to the Certificates, to DTC, which, in turn, is obligated to remit such principal, premium, if any, and interest, to DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Certificates. Principal and premium, if any, with respect to the Certificates is payable upon surrender of the Certificates at maturity or earlier prepayment at the principal corporate trust office of the Trustee.

The Certificates will initially be executed and delivered in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the Certificates will not receive certificated securities representing their interests therein. See APPENDIX F – "BOOK-ENTRY SYSTEM" attached hereto.

Optional Prepayment*

The Certificates maturing on or before October 1, 2030, are not subject to prepayment prior to their respective maturity dates. The Certificates maturing on and after October 1, 2031, may be prepaid before maturity, at the option of the Lessee, from moneys deposited into the Prepayment Fund as a result of the Lessee's election to prepay Lease Payments, on any date on or after October 1, 2030, as a whole or in part at a prepayment price equal to the principal amount thereof together with interest accrued thereon to the date fixed for prepayment.

* Preliminary, subject to change.

Mandatory Prepayment From Net Insurance and Condemnation Proceeds

The Certificates are subject to prepayment on any Payment Date, in whole or in part, from Net Insurance and Condemnation Proceeds deposited in the Prepayment Fund at least 45 days prior to a Payment Date and credited towards the prepayment made by the Lessee pursuant to the Lease Agreement, at a prepayment price equal to the Principal Component thereof, together with the accrued Interest Component to the date fixed for prepayment, without premium. In the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds when fewer than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment from the Outstanding Certificates, proportionately by maturity in Authorized Denominations. The Trustee shall promptly notify the Lessee and the Corporation in writing of the Certificates so selected for prepayment.

Mandatory Sinking Fund Prepayment*

The Certificates maturing on October 1, ___ shall be subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on October 1 of each year, commencing October 1, ___, in the Principal Components and on the prepayment dates as follows:

Mandatory Sinking Fund Prepayment Date (October 1)	Mandatory Sinking Fund Payment
	$
†	

† Maturity.

Selection of Certificates for Prepayment

Except as otherwise provided in the Trust Agreement, whenever provision is made in the Trust Agreement for the prepayment of Certificates and fewer than all Outstanding Certificates are called for prepayment, other than in the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds and extraordinary prepayment of Certificates from unexpended Certificate proceeds, the Trustee shall select Certificates for prepayment from the Outstanding Certificates not previously called for prepayment as the Lessee may direct, and, in the absence of such direction, in inverse order of maturity, and by lot within any maturity, in any manner which the Trustee shall in its sole discretion deem appropriate. All or a portion of any Certificate may be prepaid, but only in a Principal Component equal to an integral multiple of $5,000.

Notice of Prepayment

When prepayment is authorized or required hereunder, the Trustee shall give notice of the prepayment of the affected Certificates. Written notice of any such prepayment shall be given by the Lessee to the Trustee at least thirty (30) days prior to the date of prepayment (unless a shorter time shall be acceptable to the Trustee for its convenience), and the Trustee shall thereupon give notice on behalf and at the expense of the Lessee, by mailing a copy of a prepayment notice by

* Preliminary, subject to change.

first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for prepayment to each Certificate holder of the Certificates to be prepaid at the addresses shown on the Certificate registration books maintained by the Trustee; provided, however, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the CUSIP numbers, the numbers and dates of maturity of the Certificates to be prepaid; (c) the date of prepayment; (d) the prepayment price and (e) the place or places where the prepayment will be made. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount together with interest accrued to said date to be prepaid and that from and after such date the Interest Component shall cease to accrue and become payable.

Failure by a Certificate holder, depository or information service listed above to receive notice as provided herein shall not affect the validity of such prepayment. Notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be prepaid shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after the date on which prepaid, interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trustee at the prepayment price. Amounts equal to the Interest Component due on or prior to the prepayment date shall be payable as herein provided for regular payments of the Interest Component. Upon surrender for any partial prepayment of any Certificate, there shall be prepared for the Certificate holder a new Certificate or Certificates in the amount of the unpaid Principal Component. All Certificates which have been prepaid shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to the Trust Agreement.

Effect of Notice of Prepayment

With respect to any notice of prepayment of the Certificates in accordance with the Trust Agreement, in whole or in part, such notice may state that such prepayment will be conditional upon the receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys sufficient to pay the prepayment price of and accrued interest on the such Certificates to be prepaid, and that if such moneys will not have been so received, said notice will be of no force and effect and the Lessee and the Lessor shall not be required to prepay such Certificates or to pay any amounts to the Owners of the Certificates except to pay principal and interest evidenced by the Certificates in accordance with the Trust Agreement. If such conditional notice of prepayment contains such a provision and such moneys are not so received, the conditional prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of prepayment was given, that such moneys were not so received and that the conditional prepayment was cancelled. The Lessee may rescind any prepayment, and notice thereof may be rescinded by Lessee for any reason, by providing written notice of such rescission to the Trustee on any date prior to the date fixed for prepayment. Within one (1) day of receipt of such written notice, the Trustee shall give written notice of the rescission to the Owners of the Certificates so called for prepayment. The actual receipt by the Owners of the Certificate of any Certificate of notice of such rescission will not be a condition precedent to such rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Notice having been given as aforesaid, and the moneys for the prepayment (including the Interest Component accruing to the applicable date of prepayment) having been set aside in the Prepayment Fund, the Certificates so called shall become due and payable on said date of prepayment, and upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid in the amount of the unpaid Principal Component, plus the Interest Component accrued and unpaid to said date of prepayment.

If, on the date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, and premium, if any, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, the Interest Component shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates to be so prepaid without liability for interest with respect thereto.

Partial Payment of Certificates

Upon surrender by an Owner of a Certificate for partial prepayment, excepting as otherwise provided for in the Trust Agreement, payment of such partial prepayment of the Principal Component will be made by check mailed by first class mail to the Owner at his or her address as it appears on the registration books of the Trustee. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the Lessee, a new Certificate or Certificates which shall be of authorized denominations equal in aggregate principal or issue amount to the unprepaid Principal Component of the Certificate surrendered and of the same interest rate or yield and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the Lessee, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

Security for the Certificates

Sources of Payment for the Certificates. Each Certificate evidences and represents a proportionate, undivided interest of the Owner in the Lease Agreement, including the right to receive the Lease Payments to be made by the Lessee to the Corporation. The Lessee and Lessor will enter into the Lease Agreement, pursuant to which the Lessee will agree to make Lease Payments in amounts sufficient to make the payments due with respect to the Certificates. The Lease Agreement may be amended pursuant to its terms to provide for additional lease payments secured by the Leased Property on a parity with the Lease Payments made with respect to the Certificates.

The Corporation and the Trustee will enter into an Assignment Agreement. The Corporation, pursuant to the Assignment Agreement, will assign its rights under the Lease Agreement to the Trustee under the Trust Agreement for the benefit of the Owners, including (i) its right to receive amounts payable by the Lessee under the Lease Agreement, (ii) its right to receive the proceeds of insurance maintained on the Leased Property, and (iii) its right to enforce amounts payable upon default by the Lessee.

Principal and the Interest Component due with respect to the Certificates will be made from the Lease Payments payable by the Lessee for the use and possession of the Leased Property, from condemnation proceeds, from title insurance proceeds, from rental interruption insurance proceeds, from casualty insurance net proceeds pertaining to the Leased Property (to the extent that such net proceeds are not used for repair or replacement), from interest or other income derived from the investment of the funds and accounts held by the Trustee for the Lessee pursuant to the Trust Agreement.

The Lessee has covenanted under the Lease Agreement to make Lease Payments for the use and possession of the Leased Property and to take such action each year as may be necessary to include in its annual budget all of the Lease Payments due in such fiscal year and to appropriate annually an amount necessary to make the Lease Payments. Lease Payments received by the Trustee are to be used to make the payments of principal and interest with respect to the Certificates. Additional Payments payable by the Lessee under the Lease Agreement include amounts as shall be required for the payment of all administrative costs of the Corporation. Under California law, even though the Lease Agreement becomes effective as of the date of original execution of the Certificates, the obligation of the Lessee to make Lease Payments (other than, in the case of termination of the Lease Agreement or partial prepayment of the Lease Payments, the Project Fund) must be abated in whole or in part if the Lessee does not have full use and possession of the Leased Property. See "RISK FACTORS – Abatement" herein.

The Lessee has further covenanted to also pay such amounts as shall be required for the payment of all administrative costs of the Corporation relating to the Leased Property or the execution, sale and delivery of the Certificates, including, without limitation, taxes of any sort whatsoever payable by the Corporation as a result of its ownership of the Leased Property or as may be related to the Lease Agreement, and certain costs resulting from the administration of the Trust Agreement, the fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement.

The obligation of the Lessee to make Lease Payments and Additional Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to pledge any tax revenues. **Neither the Certificates nor the obligation of the Lessee to make Lease Payments and Additional Payments constitutes an indebtedness of the Lessee, the Corporation, the State of California or any of its political subdivisions within the meaning of the Constitution of the State of California or otherwise or a pledge of the faith and credit of the Lessee.**

The Trustee, pursuant to the Trust Agreement, will receive Lease Payments for the benefit of the Owners. The Lease Payments are scheduled to be sufficient in both time and amount to pay when due the portion of the principal and interest with respect to the Certificates due on the next Interest Payment Date. The Trustee shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties under the Trust Agreement, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates. Lease Payments and Additional Payments are subject to abatement during any period in which, by reason of condemnation, damage or destruction, there is substantial interference with the use and possession of the Leased Property, or any discrete portion thereof, by the Lessee. See "Abatement" below and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE LEASE" attached hereto. The Lessee is responsible for the repair and maintenance of the Leased Property and the replacement or repair of the Leased Property to the extent provided in the Lease Agreement.

Insurance. The Lease Agreement requires the Lessee to maintain insurance of the type and in the amounts set forth therein. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Insurance" attached hereto. The Lease Agreement permits the Lessee to self-insure to meet insurance requirements (so long as the terms of the Lease Agreement are satisfied) except for rental interruption insurance. The Lease Agreement requires the Lessee to apply the proceeds of any insurance award either to replace or repair the portion of the Leased Property or to repay Certificates if certain certifications with respect to the adequacy of the proceeds to make repairs, and the timing thereof, cannot be made. The amount of Lease Payments will be abated and Lease Payments due under the Lease Agreement may be reduced during any period in which material damage or destruction to all or part of any component of the Leased Property substantially interferes with the Lessee's use and possession thereof. Lease Payments may, however, be made from the proceeds of rental interruption insurance as described below.

Abatement. Except to the extent of (i) amounts held by the Trustee in the Lease Payment Fund, (ii) amounts received in respect of rental interruption insurance or liquidated damages, if any, and (iii) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the Lessee of any component of the Leased Property, Lease Payments due under the Lease Agreement with respect to such Leased Property shall be abated by the difference between the annual fair rental value of the facilities of the Leased Property with respect to which there is no such substantial interference, as set forth in a certification of the Lessee. Any abatement of Lease Payments pursuant to the Lease Agreement shall not be considered an Event of Default as defined therein. Such abatement will continue for the period commencing with the date of such interference and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned. See "RISK FACTORS – Abatement" herein.

Such abated Lease Payments, together with other moneys legally available to the Trustee, including moneys from rental interruption insurance and liquidated damages, if any, may not be sufficient to pay principal and interest represented by the Certificates in the amounts and at the rates set forth thereon. In such event, all Owners would forfeit the portion of interest attributable to abated Lease Payments payable during the period of abatement and, to the extent Certificates mature or are to be mandatorily prepaid during a period of abatement, the Owners of such Certificates would forfeit the portion of principal attributable to such abated Lease Payments. The failure to make such payments of principal and interest would not under such circumstances constitute a default under the Trust Agreement, the Lease Agreement or the Certificates.

[No Debt Service Reserve Fund]

[There is no reserve fund established for the Certificates.]

Lease Payments

Lease Payments are required under the Lease Agreement to be made by the Lessee on each March 15 and September 15, commencing on March 15, 2021 (individually, a "Lease Payment Date") for use and possession of the Leased Property for the six-month periods commencing on the first day of the month next succeeding the Lease Payment Date, as applicable. The Lease Agreement requires that Lease Payments be deposited in the Lease Payment Fund maintained by the Trustee. On each Interest Payment Date or Payment Date, the Trustee will withdraw from the Lease Payment Fund the aggregate amount of the Lease Payments and will apply such amounts to make principal and interest payments with respect to the Certificates, as shown in the following amortization schedule.

Limitations on Remedies Available to Owners of the Certificates

The enforceability of the rights and remedies of the Owners of the Certificates, and the obligations incurred by the Lessee, may become subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

PLAN OF FINANCE

The Certificates are being executed and delivered to (i) finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities and (ii) pay delivery costs of the Certificates. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

LEASED PROPERTY

Leased Property. The Leased Property consists of the City's community center located at 501 Glendora Avenue. The community center structure consists of approximately 40,000 square feet and was originally constructed in 1971. The community center offers a wide variety of educational, fitness and skill oriented classes to the community at affordable prices.

While the City is in possession of the Leased Property, all maintenance and repair of the Leased Property is the responsibility of the City. The City has determined that the annual fair rental value of the Leased Property is in excess of the annual Lease Payments.

Substitution and Release of Property. Pursuant to the Lease Agreement, the City may substitute other real property for any portion of the Leased Property described above, or release any identifiable real property and/or improvements currently constituting the Leased Property, provided the City satisfies the provisions of the Lease. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Substitution and Release of Property" attached hereto.

[Remainder of page intentionally left blank.]

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Certificates:

Sources:	
Principal Amount of Certificates	$
Total Sources	$
Uses:	
Transfer to CalPERS	$
Transfer to the City	
2020A Costs of Issuance Fund(1)	
Total Uses	$

(1) Costs of issuance include fees and expenses for Special Counsel, Disclosure Counsel, Municipal Advisors, Trustee, printing expenses, rating fee, underwriter's discount and other miscellaneous costs.

SCHEDULE OF CERTIFICATE PAYMENTS

The following table sets forth the payment Schedule for the Certificates.

Payment Date	Principal Component	Interest Component	Total
	- $	$	$
Totals	$	$	$

THE CORPORATION

The Public Property Financing Corporation of California, a nonprofit public benefit corporation, was incorporated on April 18, 1991 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporation Code). The Corporation was organized for the primary purpose of providing financial assistance to public agencies in California by acquiring, constructing, improving and financing various facilities, land and equipment, and by leasing facilities, land and equipment for the use of such public agencies.

THE CITY

General

The City was incorporated as a general law city in 1956. The City is located in the County, and has a boundary of approximately 3.5 square miles. The City operates under the Council-Manager member form of government. The five City Council members, including the Mayor, are elected to four year terms on alternate slates every two years. The Mayor and the Mayor Pro Tem are selected by the City Council to serve 2-year terms. The City Council appoints a City Manager. See APPENDIX A – "SELECTED DEMOGRAPHIC AND FINANCIAL INFORMATION RELATING TO THE CITY OF LA PUENTE" attached hereto.

Audited Financial Statements

The following table sets forth the City's General Fund assets, liabilities and fund balances based upon audited financial statements for Fiscal Years ended June 30, 2016 through June 30, 2019. City management's discussion of financial performance for the fiscal year ended June 30, 2019 is presented in the City's audited financial statements for the fiscal year ended June 30, 2019 attached hereto as APPENDIX B. The financial information in APPENDIX B does not account for the potential effects of the COVID-19 pandemic on the City. Significant developments relating to the operations and finances of the City since June 30, 2019 are described herein.

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TABLE 1
CITY OF LA PUENTE
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2019

	2016	2017	2018	2019
ASSETS				
Cash and Investments	$ 7,896,091	$ 7,451,834	$ 7,811,980	$ 9,281,616
Accounts Receivable	332,280	256,961	293,653	272,333
Interest Receivable	3,548,426	3,906,825	4,290,827	4,662,032
Due From Other Governments	977,292	587,654	862,623	1,251,255
Due From Other Funds	270,807	103,493	204,338	154,284
Prepaid Items	11,268	636,195	24,016	395,146
Advances to Successor Agency	11,801,764	11,624,012	11,350,632	11,085,558
Total assets	24,837,928	24,566,974	24,838,069	27,102,224
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,605,974	1,254,182	1,264,798	1,301,526
Due to Other Agencies		-	-	-
Due to Other Funds		-	-	-
Total liabilities	1,605,974	1,254,182	1,264,798	1,301,526
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues – Interest	3,511,989	3,860,710	4,201,229	4,547,729
Total Deferred Inflows of Revenues	3,511,989	3,860,710	4,201,229	4,547,729
FUND BALANCES				
Nonspendable	11,813,032	12,260,207	11,374,648	11,480,704
Unassigned	7,906,933	7,191,875	7,997,394	9,772,265
Total Fund Balances	19,719,965	19,452,082	19,372,042	21,252,969
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$24,837,928	$24,566,974	$24,838,069	$27,102,224

Source: City of La Puente.

The following table summarizes the audited financial statements for the City's General Fund for the Fiscal Years ended June 30, 2016 through June 30, 2019. This information has been derived from the audited financial statements of the City for the fiscal years shown. This information should be read in conjunction with APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR FISCAL YEAR ENDED JUNE 30, 2019" attached hereto.

TABLE 2
CITY OF LA PUENTE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR FISCAL YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2019

	2016	2017	2018	2019
REVENUES				
Taxes	$9,747,319	$10,346,934	$10,485,360	$11,660,592
Licenses and permits	637,990	654,710	968,625	917,616
Intergovernmental	185,318	62,023	60,365	47,075
Charges for services	893,283	765,988	947,098	963,111
Fines and forfeitures	390,778	355,900	334,811	351,735
Investment income	184,857	(87,752)	(127,230)	567,717
Other revenues	493,306	71,899	27,633	139,124
Total Revenues	12,532,851	12,169,702	12,696,662	14,646,970
EXPENDITURES				
Current:				
General Government	1,698,947	2,136,841	2,372,394	2,570,154
Public Safety	5,714,524	5,968,153	6,891,729	7,062,100
Public Works	312,924	365,050	467,330	586,832
Recreation/Senior Services	1,488,370	1,278,994	1,207,305	1,266,993
Community Development	780,998	1,295,044	1,300,220	1,206,950
Capital Outlay	-	293,136	414,614	-
Debt Service:				
Interest and Fiscal Charges	254,320	346,640	-	-
Principal	625,000	620,000	-	-
Total expenditures	10,875,083	12,303,858	12,653,592	12,693,029
Excess of Revenues Over (Under) Expenditures	1,657,768	(134,156)	43,070	1,953,941
OTHER FINANCING SOURCES (USES)				
Transfers In	2,862	-	-	19,924
Transfers Out	-	(133,727)	(123,110)	(92,938)
Total Other Financing Sources (Uses)	2,862		(123,110)	(73,014)
NET CHANGE IN FUND BALANCES	1,660,630	(133,727)	(80,040)	1,880,927
FUND BALANCES – BEGINNING OF YEAR	18,059,335	19,719,965	19,452,082	19,372,042
FUND BALANCES – END OF YEAR	$19,719,965	$19,452,082	$19,372,042	$21,252,969

Source: City of La Puente.

General Fund Revenue Sources

The City relies heavily property taxes and sales and use taxes for its general operating fund expenses. Other revenue sources include the transient occupancy tax, business license taxes, real property transfer taxes and license and permit fees. The table below provides the amount of General Fund revenues that each source represents for the fiscal years shown. The City cannot predict the ultimate impacts on such revenues as a result of the COVID-19 pandemic and related economic consequences; however, such impacts may be material and adverse. See "RISK FACTORS – COVID-19 Pandemic" herein.

Table 3
City of La Puente
General Fund Tax Revenues

Revenue Source	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actuals FY 2020	Adopted Preliminary Budget FY 2021
Property taxes	$5,960,936	$6,681,270	$7,014,532	$	$
Sales taxes[1]	3,060,517	3,150,107	4,082,950		
Other taxes[2]	1,377,482	1,468,424	1,477,298		
Totals	$10,398,935	$11,299,801	$12,574,780	$	$

Source: City of La Puente.

(1) Reflects passage of additional 0.5% tax in November 2018. See "—Sales Tax" below.

(2) Includes franchise taxes, property transfer taxes, transient occupancy taxes and other taxes. Does not include investment income or other revenues.

Property Taxes. Taxes are levied by the County for each Fiscal Year on taxable real and personal property which is situated in the City as of the preceding January 1. Effective July 1, 1983, real property which changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year, and if unpaid become delinquent on December 10 and April 10, respectively, subject to a penalty of ten percent. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and, in general, become delinquent on August 31, subject to a ten percent penalty. If unsecured taxes are unpaid on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. The City has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and Recorder's office in order to obtain a lien on certain property of the taxpayer, and (4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, or the complete or partial destruction of taxable property caused by, among other things, earthquake, flood or other natural disaster could cause a reduction in the assessed value of taxable property in the City.

[**Note any additional specific COVID-19 effects here**].

No Teeter Plan. The County Board of Supervisors elected to discontinue the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales Proceeds (commonly referred to as the "Teeter Plan") on July 1, 2009. Under the terms of the Teeter Plan, the County had remitted to local agencies the amount of uncollected taxes in exchange for retaining any subsequent delinquent payments, penalties and interest that would have been due to the local agency. As the Teeter Plan has been discontinued, the City's property tax revenues reflect both reduced property tax revenue from uncollected taxes and increased revenue from the subsequent receipt of delinquent taxes, interest and penalty payments.

Sales Taxes. A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City). The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution. In addition, many of California's cities, counties, and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location. In November 2018, Measure LP, the City of La Puente Public Safety, Vital Services and Neighborhood Protection Measure, passed with 74.51% of the vote. Measure LP imposes an additional one-half of one percent (0.5%) local transactions and use tax on each dollar of taxable sales of goods in the City and on the taxable storage, use or consumption of goods purchased from a retailer.

On April 3, 2020, Governor Newsom issued an Executive Order that allows all businesses with less than $5 million in annual taxable sales the ability to defer payment on up to $50,000 in sales and use tax liability without incurring any penalties or interest. Under the program, qualifying businesses can enter into payment plans to distribute up to $50,000 of sales tax liability over a 12-month period, interest-free. For taxpayers choosing to defer their 1st quarter 2020 liability, for example, up to $50,000 of the obligation would now be paid in twelve equal monthly installments. The first payment was due by July 31, 2020.

Management Discussion; COVID-19 Pandemic

In response to the COVID-19 pandemic, beginning in March 2020, the State of California, the County and the City have issued a variety of orders limiting public gatherings and imposing various restrictions on travel and the ability of businesses to operate. While some of the orders and restrictions were eased during the summer, certain of these orders and restrictions have since been intensified due to a rising number of COVID-19 cases locally and statewide. The City is not currently able to predict the scope or duration of such orders and restrictions but both more restrictive measures and measures of a longer duration are expected to negatively impact the operations and finances of the City.

The City cannot predict the ultimate impacts on General Fund revenues as a result of the COVID-19 pandemic and potential related economic consequences; however, such impacts may be material and adverse. See "RISK FACTORS – COVID 19 Pandemic." Subject to the foregoing, the City makes the following observations.

[The City anticipates that certain General Fund revenues will be significantly affected in the short-term as a consequence of the COVID-19 pandemic. For the purposes of this management discussion the words "short-term" refer to the period of time ending on June 30, 2021. The short-term effect will likely result in year-to-year reductions in General Fund revenues between Fiscal Years 2019-20 and 2020-21. Financial impacts to the City associated with the COVID-19 pandemic include revenue losses within major categories and increased expenses related to the City's response. The City currently believes General Fund revenues that are most likely to experience significant revenue collection reductions in the short-term are sales taxes and certain other taxes, such as transient occupancy taxes. Revenue losses are expected to include an approximately __% reduction in sales taxes for the last quarter of Fiscal Year 2019-20, in addition to [list other tax or revenue declines]. Other sources of revenue such as "licenses and permits" may be delayed. At this time, the City does not anticipate significant short-term reductions in property taxes.

The overall General Fund loss in revenues is approximately __% based on a comparison of projected actuals versus budget for fiscal year-end 2019-20. The operations of the City may also be affected by the COVID-19 pandemic. [Discuss any operational issues].

Property Tax. Property tax revenues are one of the largest and most stable sources of revenue to the City's General Fund. During the last major economic upheaval, the "Great Recession" (the economic downturn from 2007 to 2009), property tax revenues in the City were not immediately impacted. However, it is difficult to compare the City's experience with the Great Recession and forecast how the COVID-19 pandemic and its lingering effects may impact property tax revenues beginning in Fiscal Year 2021-22. If unemployment and reduced economic activity generally, is a sustained consequence of the COVID-19 pandemic through multiple fiscal years, a combination of property tax payment delinquencies and property tax assessment appeals could result in a significant reduction in property tax revenue over time. City staff will closely monitor property tax revenue receipt and property tax delinquency rates and property tax valuation assessment appeal information for Fiscal Year 2020-21 and Fiscal Year 2021-22 as these become available.

Sales Taxes. The City is closely monitoring the impact of the COVID-19 pandemic and economic consequences on sales tax revenues. As noted above, estimated sales tax revenues to the City for the Fiscal Year 2019-20 are $_________, representing a ___% decrease from Fiscal

Year 2018-19 actuals. A preliminary estimate of sales tax revenues in the amount of $________ for Fiscal Year 2020-21 represents an approximately ___% decrease. No assurance can be provided that such decrease will not be materially larger.

Federal COVID-19 funding. [The federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") may provide $225 million of relief funds to cities that apply. Such funds would be allocated based on the share of each city's population, relative to the total population of the applicant city. Under applicable CARES Act allocation methodology, the City would receive a one-time amount of $___ million dollars ($_____ per capita). If CARES Act funding is granted, the City intends to use the funds to off-set General Fund revenues expended during the COVID-19 pandemic.]

City Budget

Budget and Debt Management Policies. The City has adopted written Budget and Debt Management Policies to provide guidance to City staff when developing the annual budget to present to City Council and when proposing the issuance of debt and other obligations of the City. [Such policies may be obtained from the City's website at: __________________________.]

Budget Process. [**revise budget process**].[The City Council develops spending priorities as outlined in the City's adopted strategic plan for the current fiscal year. Draft budgets are submitted by each City department for every City program and activity, then reviewed by the Executive Management Team. City departments begin their budgeting by taking the most recently adopted budget and adjusting for anticipated needs and changes. This may entail new programs, major cost items or reductions in programs. The Capital Improvement Program is also prepared at this time. All budgetary information is compiled by the Finance Manager and presented to the City Manager. The City Manager then reviews and discusses the proposed budget with departmental management, which may result in revisions or changes to balance the budget. A study session is held to discuss the budget. The City Council reviews the entire preliminary budget and directs any necessary changes. These meetings are open to the public and the City Council takes into consideration any public testimony regarding the budget. The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the fiscal year. The City will ensure that it adopts a General Fund Budget where operating expenditures do not exceed revenues and recurring transfers-in.

Budgetary control is exercised by: (1) department heads have the authority to move appropriations from one object to another within activities within the same fund; (2) the City Manager is authorized to transfer appropriations between activities and between programs within the same fund; and (3) the City Council approves any appropriation amendments between programs, between funds.

Prior Budgets. The following table sets forth the City's adopted budget and actual General Fund revenues, expenditures and changes in fund balance for the Fiscal Years shown. The adopted budget is the original budget at the start of the new Fiscal Year. Throughout the year, budget changes are expected to be authorized by City Council which may increase or decrease the City's spending authority. Therefore, variances between the adopted budget and actual expenditures are likely.

Table 4
City of La Puente
General Fund
Comparison of Adopted Budget to Actual Results

	Final Budget FY 2018-19	Actual FY 2018-19	Variance	Final Budget FY 2019-20	Actual FY 2019-20	Variance	Adopted Budget FY 2020-21
Revenues:							
Taxes	$10,655,900	$11,660,592	$1,004,692				
Licenses & Permits	638,900	917,616	278,716				
Intergovernmental	62,700	47,075	(15,625)				
Charges for Services	720,500	963,111	242,611				
Fines & Forfeitures	310,000	351,735	41,735				
Investment Income	85,000	567,717	482,717				
Other Revenues	105,100	139,124	34,024				
Total Revenues	12,578,100	14,646,970	2,068,870				
Expenditures:							
General Government	2,608,075	2,570,154	37,921				
Public Safety	7,325,035	7,062,100	262,935				
Public Works	453,800	586,832	(133,032)				
Recreation/Senior Services	1,383,100	1,266,993	116,107				
Community Development	866,800	1,206,950	(340,150)				
Capital Outlay	--	--	--				
Total Expenditures	12,636,810	12,693,029	2,012,651				
Excess / (Deficiency) of revenues over / (under) expenditures	(58,710)	1,953,941					
Other Financing Sources (Uses)							
Transfers In	--	19,924	19,924				
Transfers Out	--	(92,938)	(92,938)				
Total Other Financing Sources (Uses)	--	(73,014)	(73,014)				
Net Change in Fund Balance	(58,710)	1,880,927	1,939,637				
Fund Balance at Beginning of Year	19,372,042	19,372,042	--				
Fund Balance at End of Year	$19,313,332	$21,252,969	$1,939,637				

Source: City of La Puente.

Appropriations Limit

Section 7910 of the Government Code of the State requires the City to adopt a formal appropriations limit for each fiscal year. The City's appropriations limit for Fiscal Year 2020-21 is $_________. The appropriations limit is not expected to have any impact on the ability of the City to budget and appropriate the Lease Payments and Additional Rental Payments as required by the Lease Agreement.

Assessed Valuation

The City's largest revenue source, property tax, is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (moveable property) located within the City. The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the California State Board of Equalization (the "Board of Equalization"). Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution. See " – Limitations on Taxes and Appropriations" below. Certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, or the complete or partial destruction of taxable property caused by, among other things, earthquake, flood or other natural disaster could cause a reduction in the assessed value of taxable property in the City. See "RISK FACTORS" herein.

[Remainder of page intentionally left blank.]

The following table sets forth the historical assessed valuations for secured and unsecured property within the City for the fiscal years shown.

Table 5
City of La Puente
Gross Assessed Value of All Taxable Property
(Fiscal Year ended June 30)
(in Thousands)

Fiscal Year	Secured	Unsecured	Total	Percentage Change
2011	$	$	$	-
2012				%
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				

Source: City of La Puente.

The following table sets forth property tax levies and collections for the City for the fiscal years show.

Table 6
City of La Puente
Tax Levies and Collections
(Fiscal Year ended June 30)

		Collections within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy
2015	$1,152,928	$1,072,238	93.0%	--	$1,072,238	93.0%
2016	1,208,236	1,124,478	93.1	--	1,124,478	93.1
2017	1,282,303	1,181,417	92.1	--	1,181,417	92.1
2018	1,353,426	1,236,795	91.4	--	1,236,795	91.4
2019	1,402,596	1,301,556	92.8	--	1,301,556	92.8

Source: City of La Puente.

Principal Property Taxpayers

The following table sets forth the top ten taxpayers in the City by taxable assessed value.

Table 7
CITY OF LA PUENTE
Top Ten Taxpayers
(As of June 30, 2019)

	Taxpayer	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Description of Primary Business Use
1.	Hacienda Plaza JPS LLC	$39,740,480	1.75%	
2.	Group X Rosemead Properties LP	23,949,594	1.06	
3.	Jasmine Real Estate Investments LLC	21,824,911	0.96	
4.	La Puente 104 LLC	20,225,706	0.89	
5.	Laurala Limited	17,925,755	0.79	
6.	Haeri Hacienda Plaza LLC	16,728,429	0.74	
7.	PJB Sunkist LP	13,434,259	0.59	
8.	Walnut Apartments	11,951,487	0.53	
9.	Wind Chime Properties LP	11,572,717	0.51	
10.	PI Properties	10,016,139	0.44	
	Top Ten Total	187,369,477	8.26%	

Source: City of La Puente.

Direct and Overlapping Debt

Set forth on the following table is a direct and overlapping debt report (the "Debt Report") for the City prepared by California Municipal Statistics, Inc., dated as of _________, 2020. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency.

TABLE 8
CITY OF LA PUENTE
Statement of Direct and Overlapping Debt
(_______)

2019-20 Assessed Valuation: $___________________

	% Applicable		Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:	%		$
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
	%		$
City of La Puente General Fund Obligations	**100.**		[(1)]
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Tax Allocation Bonds	100.	%	$
Special Tax Bonds	100		
TOTAL OVERLAPPING TAX INCREMENT DEBT			$
COMBINED TOTAL DEBT			$ [(2)]

Ratios to 2019-20 Assessed Valuation:
Total Overlapping Tax and Assessment Debt.. %
Total Direct Debt ($__________).. %
Combined Total Debt.. %
Ratios to Redevelopment Incremental Valuation ($__________):
Total Overlapping Tax Increment Debt.. %

Source: California Municipal Statistics, Inc.
(1) Excludes the Certificates.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

General Fund Long-Term Obligations

The following obligations payable from the City's General Fund are identified in the City's audited financial statements for the Fiscal Year ended June 30, 2019.

Long-Term Debt	Balance at June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
Bonds:					
2016 Sewer Refunding Bonds	$8,695,000	-	$(325,000)	$8,370,000	$335,000
Total Bonds					
Other long-term liabilities					
City of Industry loan	1,582,556	30,110	(189,721)	1,422,945	48,591
Compensated absences	243,066	214,235	(206,271)	251,030	222,805
Net OPEB Liability	3,781,675	145,450	(351,609)	3,575,516	
Net Pension Liability	6,915,558	789,040	(859,268)	6,845,330	
Subtotal other long-term liabilities	$12,522,855	$1,178,835	($1,606,869)	$12,094,821	$271,396
Total long-term liabilities	$21,217,855	$1,178,835	($1,606,869)	$20,464,821	$606,396

Source: City of La Puente and APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR THE FISCAL YEAR ENDING JUNE 30, 2019 – Note 6 Long-Term Debt."

Labor Contracts

The following table sets forth the City's employee groups. Terms of existing contracts roll forward upon expiration until each group and the City agrees to a new contract. The City has been negotiating with all of its labor organizations to further the City's efforts to align its revenues and expenses. Historically the relationship between the City and its employee groups has not always been positive. The new management team at the City is working to build positive working relationships with its employee groups.

Group	Budgeted Number of Employees	Date of Contract Expiration (June 30)
Government		
Public Safety		
Public Works Services		
Community Development		
Recreation/Senior Services		
Police Management		
Fire Management		
Executive Management		
Total		

Source: City of La Puente.

Investment Policy

In accordance with California Government Code, Sections 53600 *et seq.*, the City maintains a Statement of Investment Policy, which was adopted by City Council on ________ (the "Investment Policy"). The Investment Policy contains elements and guidelines on investing public funds, such as authorized and suitable investments, liquidity, authorized financial institutions and dealers, safekeeping and custody, diversification, internal controls and performance standards, and ethical and fiduciary responsibilities.

[Under the Investment Policy, the standard to be used by the investment officials of the City will be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. Government Code Section 53600.3 provides that those persons to whom investment decisions have been delegated are trustees with a fiduciary duty to act as a prudent investor. This standard of care directs that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.]

Pension Plans

[section to be further revised]

Pension Funding Policy. Like most municipalities, the City is facing rising pension costs and growing unfunded pension liabilities. On [October 13, 2020], the City Council of the City adopted a pension and other post-employment benefit ("OPEB") funding policy to assist City planning for these challenges. The policy, among other things, provides guidance to City decision-makers when making annual budget decisions and is intended to demonstrate prudent financial management practices and to create sustainable and affordable budgets for pension and OPEB obligations.

General. Presently, the City offers [all qualified permanent and probationary employees retirement benefits in a plan (the "CalPERS Plan") through California Public Employees' Retirement System ("CalPERS").] The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. The City sponsors two rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at *www.calpers.ca.gov*.

[The CalPERS Plan is an agent multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 2017 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website at w*ww.calpers.ca.gov*.]

[CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the

Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.]

The CalPERS Plan operates under the provisions of the California Public Employees' Retirement Law ("PERL"), the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The CalPERS Plan's provisions and benefits in effect are summarized as follows:

	Miscellaneous Plan	**Miscellaneous PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	last 12 mos. of service	last 36 mos. of service
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	12.588% + $383,290	7.557% + 270

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Beginning in fiscal year 2015-2016, CalPERS collects employer contributions as a percentage of payroll for the normal cost portion and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was $383,560 in fiscal year 2018-2019 or ___% of General Fund revenues. The City's contributions to the CalPERS Plan for the year ended June 30, 2019 were $536,963 or ___% of General Fund revenues.

The City's pension contributions for fiscal year 2019-20 are $854,062.73, including an annual lump sum prepayment of unfunded liability of $456,437.

[As of June 30, 2019, the City reported a liability of $6,845,330 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.] See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR FISCAL YEAR ENDED JUNE 30, 2019" at Note 8 for changes in Net Pension Liability and Proportionate Share of Net Pension Liability and asset allocation and return information.]

A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15
Inflation	2.75
Projected Salary Increase(1)	Depending on age, service and type of employment
Investment Rate of Return(2)	7.15
Mortality Rate Table(3)	Derived using CalPERS' membership data for all funds

Source: *APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR FISCAL YEAR ENDED JUNE 30, 2019" at Note 8.*
(1) Annual increase vary by age, service and type of employment.
(2) Net of pension plan investment and administrative expenses; includes inflation.
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on the table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Public Employees' Pension Reform Act ("PEPRA"). On September 12, 2012, Governor Brown signed Assembly Bill 340, creating PEPRA. Among other things, PEPRA creates a new benefit tier for new employees/members entering public agency employment and public retirement system membership for the first time on or after January 1, 2013. The new tier has a single general member benefit formula and three safety member benefit formulas that must be implemented by all public agency employers unless the formula in existence on December 31, 2012 has both a lower normal cost and a lower benefit factor at normal retirement age. PEPRA requires that all new employees/members, hired on or after January 1, 2013, pay at least 50% of the normal cost contribution. The normal cost contribution is the contribution set by the retirement system's actuary to cover the cost of a current year of service. Approximately __% of City employees are under PEPRA. The City believes that the provisions of PEPRA will help to control its pension benefit liabilities in the future.

Other Post-Employment Benefits

The City has established the La Puente Retiree Healthcare Plan (the "OPEB Plan"), and participates in an agent multiple-employer defined benefit retiree healthcare plan which provides healthcare benefits to eligible retirees and their dependents in accordance with various labor agreements. The OPEB Plan and its contribution requirements are established by memoranda of understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. In a prior fiscal year, the City created a trust account with the California Public Employers' Retiree Benefit Trust ("CERBT"). The CERBT issues a publicly available report that can be found on the CalPERS website. For the fiscal year ended June 30, 2019, the City's cash contributions were $375,600 in payments to the CERBT trust account and the payments for retiree health benefits was $265,155 resulting in total payments of $640,755. As of June 30, 2018, the City had a net OPEB obligation of $3,575,516.

The contribution requirements of members in the OPEB Plan and the City are established and may be amended by City Council. The contribution required to be made under City Council and bargaining unit requirements is based on a pay-as-you-go basis (i.e. as medical insurance premiums become due). For a discussion of the OPEB Plan and its funded status, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR FISCAL YEAR ENDED JUNE 30, 2019" at Note 9, attached hereto.

STATE OF CALIFORNIA BUDGET INFORMATION

State Budget

General. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, *www.dof.ca.gov*, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. The information referred to is prepared by the respective State agency maintaining each website and not by the City or the Corporation, and the City and the Corporation can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

2020-21 State Budget

On June 29, 2020 Governor Newsom signed into law the Fiscal Year 2020-21 State Budget (the "2020-21 Budget"), closing a $54.3 billion gap in Fiscal Year 2020-21 and reducing the State's structural deficit, balancing the State's budget by drawing $8.8 billion in reserves from the Rainy Day Fund ($7.8 billion), the Safety Net Reserve ($450 million), and all of the funds in the Public School System Stabilization Account. The 2020-21 Budget (i) includes $11.1 billion in reductions and deferrals that will be restored if at least $14 billion in federal funds are received by October 15, 2020; (ii) relies on $10.1 billion in federal funds that provide General Fund relief, including $8.1 billion already received; (iii) temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year (generating $4.4 billion in additional revenues in Fiscal Year 2020-21); and (iv) relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools.

To balance the 2020-21 Budget the following list of solutions has been adopted to close the $54.3 billion dollar gap:

- *Reserves*. The 2020-21 Budget draws down $8.8 billion in reserves from the state's Rainy Day Fund ($7.8 billion), Safety Net Reserve Fund ($450 million), and all of the funds in the Public School System Stabilization Account.

- *Potential Reductions and Deferrals*. The 2020-21 Budget includes $11.1 billion in reductions and deferrals that will be restored depending on the receipt of additional federal aid. If at least $14 billion in federal funds are received by October 15, 2020 all reductions and deferrals will be restored. If the state receives a lesser amount between $2 billion and $14 billion, reductions and deferrals will be partially restored. The reductions and deferrals include $6.6 billion in deferred spending on schools, approximately $970 million in funding for the University of California and the California State University, $2.8 billion for state employee compensation, $150 million for courts, and funding for child support administration, teacher training, moderate-income housing, and infrastructure to support infill housing.

- *Reliance on Federal Funds*. The 2020-21 Budget relies on $10.1 billion in federal funds, including $8.1 billion already received as of June 30, 2020. This includes the enhanced Federal Medical Assistance Percentage, a portion of the state's Coronavirus Relief Fund allocation and funds provided for childcare programs.

- *Additional Revenue Generation.* The 2020-21 Budget temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate $4.4 billion in new revenues in the 2020-21 fiscal year.

- *Borrowing/Transfers/Deferrals*. The 2020-21 Budget relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools. (Approximately $900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.)

- *Cancelled Expansions, Updated Assumptions and Other Solutions*. The remaining $10.6 billion of solutions includes cancelling multiple program expansions and anticipating increased government efficiencies and the addition of higher ongoing revenues and lower ongoing expenses that projected.

Federal Stimulus Received to Date. The federal government has provided temporary federal funding to support the state's response to the COVID-19 pandemic. This funding was made available through four federal bills to help pay for emergency response, testing and contact tracing, health care, and financial relief to individuals, families, and businesses as well as state and local governments, including schools and higher education institutions. The following summarizes the four bills passed by Congress since March 2020:

- *Coronavirus Preparedness and Response Supplemental Appropriations Act (HR 6074)*. Provided emergency funding for public health and health care.

- *Families First Coronavirus Response Act (HR 6201)*. Provided some early assistance to families and temporarily increased the federal match for some state programs including Medi-Cal and In-Home Supportive Services. Federal funding was also extended for testing and testing-related services for uninsured individuals.

- *Coronavirus Aid, Relief, and Economic Security ("CARES Act") (HR 748).* Broadened the assistance available to include funding for states, local governments, education, child care, individuals and families. Funding was also expanded, extended, and supplemented for unemployment insurance benefits. Finally, this measure provided assistance to businesses, including the health care sector, small businesses, farmers, airports, and transit agencies.

- *Paycheck Protection Program and Health Care Enhancement Act (HR 266).* Expanded funding for small businesses, hospitals, community and rural health centers, and substantially expanded funding for testing and contact tracing to support reopening businesses and the economy.

Future State Budgets

While recent State budgets have been timely adopted, State budgets have not always been timely adopted and signed. The City cannot predict the adoption date of the final State budget or the impact any delay may have on basic appropriations. In addition, the State extended personal income tax return filing deadlines in response to the COVID-19 pandemic. With some income tax receipts delayed into the next fiscal year, or for other reasons, the State might adopt significant budget adjustments during Fiscal Year 2020-21. No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

RISK FACTORS

Purchase of the Certificates will constitute an investment subject to certain risks, including the risk of nonpayment of principal and interest components. Before purchasing any of the Certificates, prospective investors should carefully consider, among other things, the risk factors described below. However, the following is not meant to be an exhaustive listing of all the risks associated with the purchase of the Certificates. Moreover, the order of presentation of the risk factors does not necessarily reflect the order of their importance.

Not a Pledge of Taxes

The obligation of the Lessee to pay the Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which the Lessee has levied or pledged any form of taxation. The obligation of the Lessee to pay Lease Payments does not constitute a debt or indebtedness of the Lessee, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the Lessee, the Lessee is obligated under the Lease Agreement to pay Lease Payments from any source of legally available funds (subject to certain exceptions) and the Lessee has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments. The Lessee is currently liable on certain other obligations payable from the General Fund.

Additional Obligations of the Lessee

The Lessee has the capability to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the Lessee, the funds available to make Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease Agreement (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the Lessee. If the amounts which the Lessee is obligated to pay in a fiscal year exceed the Lessee's revenues for such year, the Lessee may choose to make some payments rather than making other payments, including Lease Payments, based on the perceived needs of the Lessee. The same result could occur if, because of California Constitutional limits on expenditures, the Lessee is not permitted to appropriate and spend all of its available revenues.

No Acceleration Upon Default

In the event of a default, there is no available remedy of acceleration of Lease Payments or the total Additional Payments due over the term of the Lease Agreement. The Lessee will only be liable for Additional Payments and Lease Payments on an annual basis, and the Trustee would be required to seek a separate judgment in each fiscal year for such fiscal year's Lease Payments and Additional Payments. THE TRUSTEE MAY NOT DECLARE THE CERTIFICATES TO BE DUE AND PAYABLE AND ACCELERATE PAYMENT OF THE CERTIFICATES. Any such suit for money damages would be subject to limitations on legal remedies against public agencies in the State of California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest. See "THE CERTIFICATES – Security for the Certificates –*Sources of Payment for the Certificates*" herein.

Abatement

The obligation of the Lessee under the Lease Agreement to pay Lease Payments is in consideration for the use and possession of the Leased Property. The obligation of the Lessee to make Lease Payments may be abated in whole or in part if the Lessee does not have full use and possession of the Leased Property.

The amount of Lease Payments due under the Lease Agreement shall be abated during any period in which by reason of damage, destruction, eminent domain or otherwise there is substantial interference with the use and possession of the Leased Property. Such abatement will end with the substantial completion or replacement, repair or reconstruction of the Leased Property. If damage or destruction or eminent domain proceedings with respect to the Leased Property result in abatement of Lease Payments and the resulting Lease Payments, together with rental interruption proceeds, if any, in the event of damage or destruction, are insufficient to make all payments of principal and interest represented by the Certificates during the period that the Leased Property is being replaced, repaired or reconstructed, then such payments of principal and interest may not be made and no remedy is available to the Trustee or the Owners, under the Lease Agreement or Trust Agreement, for nonpayment under such circumstances. See "THE CERTIFICATES – Security for the Certificates –*Abatement*" herein.

Notwithstanding the foregoing provisions of the Lease Agreement and the Trust Agreement specifying the extent of abatement in the event of the Lessee's failure to have use and possession of the Leased Property, such provisions may be superseded by operation of law, and, in such event, the resulting Lease Payments of the Lessee may not be sufficient to pay all of that portion of the principal and interest represented by the remaining Outstanding Certificates.

No Liability by the Corporation to the Owners

Except as expressly provided in the Trust Agreement, the Corporation shall not have any obligation or liability to the Owners of the Certificates with respect to the payment when due of the Lease Payments by the Lessee, or with respect to the performance by the Lessee of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

Risk of Uninsured Loss

The City covenants under the Lease Agreement to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to earthquake or other casualty for which the Leased Property is uninsured. The Lease does not require earthquake insurance. Additionally, the Leased Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Lease Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City's liability will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Leased Property will be sufficient to repair the Leased Property or to prepay the Certificates secured by Lease Payments.

City General Fund

In General. The Lease Payments and other payments due under the Lease are payable from funds lawfully available to the City. If the amounts which the City is obligated to pay in a fiscal year exceed the revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. For more information regarding California Constitutional limits on expenditures see "LIMITATIONS ON REVENUES AND APPROPRIATIONS – Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)."

Risk of Increased Expenditures. Under the Lease, provided the City is not currently in default thereunder, the City is permitted to expend for any municipal purpose or otherwise incur other evidences of indebtedness or other obligations payable from the City's General Fund without the consent of Owners of the Certificates. To the extent that additional obligations are incurred by the City, the funds available to pay Lease Payments could decrease.

Risk of Decreased Revenues. A variety of national, state or regional factors, which are beyond the control of the City's fiscal policies, as well as the City's fiscal policies could reduce the amount of the City's General Fund revenues. To the extent that City revenues decrease, the funds available to pay Lease Payments could decrease. See "THE CITY."

U.S. Economic Recession

On June 8, 2020, the National Bureau of Economic Research ("NBER") declared that a recession in the United States commenced in February 2020. Reportedly, this was the fastest that NBER has declared any recession since the group began formal announcements in 1979. In announcing the recession, NBER said "[T]he unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warrants the designation of this episode as a recession . . ." The City cannot predict how long the current economic recession will last or the impacts on the City's General Fund revenues, but such impacts may be material and adverse.

COVID-19 Pandemic

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and California. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 4, 2020, the Governor of California (the "Governor") proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. In March 2020, the County issued a series of orders, which substantially aligns, among other matters, with the Governor's order. These actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy.

The COVID-19 pandemic has negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the City. See "RISK FACTORS – U.S. Economic Recession." While federal and state governments (including California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the COVID-19 pandemic, the City offers no assurances that these interventions will have the intended effects. These negative economic impacts may reduce or otherwise negatively affect revenues to the City's General Fund and result in unexpected increases in expenditures. See "THE CITY – Management Discussion; COVID-19 Pandemic." The City cannot predict the magnitude of these impacts on such revenues, but the impacts could be materially adverse.

The financial and operating data contained in this Official Statement are the latest available, but are as of dates and for periods prior to the economic impact of the COVID-19 pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City. The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the COVID-19 pandemic upon the City. While the overall potential impact of the COVID-19 pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could lead to additional or modified public health restrictions and have an adverse effect on the City's operations and financial condition, and the effect could be material. Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current disruption to the national and global economies, will increase at least over the near term, recovery may be prolonged and, therefore, may have an adverse impact on the City's finances.

Bankruptcy

Generally. In addition to the limitations on remedies contained in the Lease Agreement and the Trust Agreement, the rights and remedies provided in the Lease Agreement and the Trust Agreement may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Bankruptcy of Lessee. A bankruptcy petition may be filed by the City. In particular, the City may file a petition under Chapter 9 ("Chapter 9") of Title 11 of the United States Code (the "Bankruptcy Code"), provided that it complies with requirements of Section 53760 *et seq.* of the Government Code of the State. Under the Government Code, a local public entity, including the City, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

If the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of the Lease Payments under the Lease Agreement as they relate to amounts due to Owners of the Certificates; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of the Certificates, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease Agreement which makes the bankruptcy or insolvency of the City an event of default thereunder. If the City rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Certificates, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Certificates. Moreover, such rejection would terminate the Lease Agreement and the City's obligations to make payments thereunder.

Bankruptcy of Corporation. While the Corporation covenants in the Lease Agreement that it will not engage in any activities inconsistent with the purposes for which the Corporation is organized, the Corporation is not a special-purpose bankruptcy-remote entity, and could become a debtor in a bankruptcy case. The Lessee and the Corporation intend the assignment to the Trustee of all of Corporation's right, title, and interest to receive the Lease Payments and Additional Payments to be an absolute sale and not the grant of a security interest in such property to secure a borrowing of the Corporation. Nonetheless, if the Corporation were to become a debtor in a bankruptcy case, and a party in interest (including the Corporation itself) was to take the position that the transfer of the Lease Payments and Additional Payments to the Trustee should be recharacterized as the grant of a security interest in such property, then delays in payments on the Certificates could result. If a court were to adopt such position, then delays or reductions in payments evidenced by the Certificates, or other losses to the Owners of the Certificates, could result.

Because the Corporation is not assigning all its rights under the Site Lease and the Lease Agreement to the Trustee, if the Corporation goes into bankruptcy, the Corporation may be able to obtain authorization from the bankruptcy court to sell to a third party all rights under the Site Lease and the Lease Agreement, including the Lease Payments and Additional Payments, free and clear of rights of the Trustee and the Owners of the Certificates. While the Trustee (and thus the Owners of the Certificates) should be entitled to receive the value of the Lease Payments and Additional Payments as determined by the bankruptcy court, the bankruptcy court's valuation may be substantially different that the value placed on such payments by the Owners of the Certificates, and the Owners of the Certificates may suffer a loss.

Similarly, because the Corporation is not assigning all its rights under the Site Lease and the Lease Agreement, it may be able to reject the Site Lease and the Lease Agreement or assume the Site Lease or the Lease Agreement despite any provision of the Site Lease or the Lease Agreement which makes the bankruptcy or insolvency of the Corporation an event of default thereunder. If the Corporation rejects the Site Lease or the Lease Agreement, the rights of the Trustee and the Owners of the Certificates to receive Lease Payments and Additional Payments may be terminated. Under such circumstances, the Owners of the Certificates could suffer substantial losses, and any claim for damages may be significantly limited. If the Corporation assumes the Site Lease and the Lease Agreement, it may be able to assign them to a third party, notwithstanding the provisions of the transaction documents.

The Trustee and the Owners of the Certificates would be prohibited from taking any action to enforce any of their rights or remedies against the Corporation or its property, unless the permission of the bankruptcy court was first obtained. This could prevent the Trustee from making payments to the Owners of the Certificates from funds in the possession of the Trustee. In addition, the provisions of the transaction documents that require the Lessee to make payments directly to the Trustee, rather than to the Corporation, may no longer be enforceable, and all payments may be required to be made to the Corporation.

Actions could be taken in a bankruptcy case of the Corporation which could adversely affect the exclusion of interest evidenced by the Certificates from gross income for federal income tax purposes. In addition, there may be other possible effects of the bankruptcy of the Corporation that could result in delays or reductions in payments of the principal and interest evidenced by the Certificates, or in other losses to the Owners of the Certificates.

Regardless of any specific adverse determinations in a bankruptcy case of the Corporation, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the Certificates.

State Finances

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been breached in the past. In November 2010, the voters of the State passed Proposition 25, which reduced the vote required to adopt a budget to a majority vote of each house and which provided that there would be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented late to the Governor. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

The State's financial condition and budget policies affect communities and local public agencies throughout California. State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations. Some of the State's budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs). In recent years, the State has faced significant financial and budgetary stress. AB X1 26 enacted in 2011, pursuant to which all redevelopment agencies in the State were dissolved, was enacted during the Fiscal Year 2011-12 budget process and was just one example where cities and counties throughout the State were significantly impacted. Even though California has experienced significantly improved fiscal condition during the past few fiscal years, the State is still facing continuing financial challenges and unfunded long-term liabilities. Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, *www.dof.ca.gov*. An analysis of the budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, *www.treasurer.ca.gov*.None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

Natural Disasters

General. From time to time, the City is subject to natural calamities which could result in the substantial interference with the use and occupancy of the Leased Property, which could result in Lease Payments being subject to abatement or an adverse impact on the City's General Fund. Under such circumstances, no assurance can be given that the City would have insurance or other resources available to make repairs to the Leased Property or to make Lease Payments under the Lease.

Seismic Activity. The City lies within a region of several active faults. Several major faults within a 5-mile radius of the City are capable of producing substantial effects from ground shaking. These faults include the San Andreas, Chino, Whittier-Elsinore, Sierra Madre-Cucamonga, San Fernando and Puente Hills faults. The Puente Hills fault system was discovered in 2003 and is comprised of three sections that run under downtown Los Angeles, through La Puente, and into the Coyote Hills of north Orange County. The Los Angeles basin has a history of powerful and relatively frequent earthquakes, dating back to the powerful 8.0+ San Andreas earthquake of 1857, which did substantial damage to the relatively few buildings that existed at the time. Paleo seismological research indicates that large (8.0+) earthquakes occur on the San Andreas Fault at intervals between 45 and 332 years with an average interval of 140 years. Other lesser faults have also caused very damaging earthquakes since 1857. Notable earthquakes include the Long Beach earthquake of 1933, the San Fernando Earthquake of 1971, the 1987 Whittier Narrows Earthquake and the 1994 Northridge Earthquake. In addition, many areas in the Los Angeles Basin have sandy soils that are subject to liquefaction. The City has liquefaction zones throughout portions of the City and also has areas with earthquake-induced landslide. These limited hillside areas could potentially pose landslide and erosion hazards.

The City makes no representation regarding the impact that a future seismic event may have on the Leased Property. [The City is not required to, and currently does not, maintain earthquake insurance with respect to the Leased Property. Therefore, the damage from earthquakes may not be insured in future years.][**confirm]**

A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. If an earthquake were to substantially damage or destroy taxable property within the City, a reduction in taxable values of property in the City and a reduction in revenues available to the General Fund to make Lease Payments would be likely to occur and therefore, revenues available to pay principal and interest with respect to the Certificates could be materially adversely affected. Seismic activity may also reduce or eliminate the use and occupancy of the Leased Property by the City. There is no assurance that, in the event of a natural disaster, sufficient City reserves or Federal Emergency Management Agency assistance would be available for the repair or replacement of any Leased Property.

Flooding. In spite of the region's semi-arid climate, the City has experienced flood episodes throughout its history. The City has experienced urban/localized flooding as recent as 2014 but has not encountered any significant flooding events. **[Only include the following if relevant to Leased Property] [The City has previously identified the following areas has having specific urban/localized flooding risk: Valley Boulevard between Old Valley Boulevard and Ferero Lane and Nelson Avenue between N. California Avenue and N. Hacienda Boulevard.]** There are also three dams in the vicinity of the City that are subject to inundation flooding if they were to fail, most likely as a result of seismic activity.

[The City adopted its Natural Hazards Mitigation Plan on ___________. This plan includes a hazard analysis for earthquake, flood, landslide and fire risk and is required to comply with FEMA requirements for disaster relief funding].

If such events described above occur, the City's emergency response to such an event may add unanticipated expenditures to the General Fund budget, some or all of which may not be reimbursed by federal or state disaster funding, and, if reimbursed, may not be received by the City in a timely manner. This could lead to reduced ability by the City to make Lease Payments and therefore, funds available to pay principal and interest with respect to the Certificates could be materially adversely affected. Such event could also result in substantial damage to properties in the City, which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their property taxes or of businesses to operate and generate sales tax.

Hazardous Substances

The public works activities of the City may, from time to time, result in the use of hazardous substances on the facilities owned and operated by the City, including, but not limited, to the Leased Property. Accordingly, it is possible that spills, discharges or other adverse environmental consequences of such use in the future could cause an adverse effect on the fair rental value of the Leased Property and lead, in an extreme case, to abatement, in whole or in part, of all or a portion of the Lease Payments. See "RISK FACTORS – Abatement" above.

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the City is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The City provides training to its staff on phishing and safe browsing and how to avoid potential cyber threats. However, no assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat or breach. [Confirm no breaches or other cybersecurity plans].

Future Initiatives; "Split Roll"

Articles XIIIA, XIIIB, XIIIC, and XIIID and Propositions 62 and 26 were adopted as measures that qualified for the ballot pursuant to California's initiatives process. From time to time other initiatives have been and could be proposed and adopted affecting the City's revenues or ability to increase revenues. Neither the nature and impact of these measures nor the likelihood of qualifications for ballot or passage can be anticipated by the City.

For example, the "Split Roll" Ballot Initiative, which will be on the November 2020 Ballot, would remove certain tax protections for commercial property currently in place under Proposition 13 (Article XIII A of the California Constitution). "Split" refers to the potential division into two parts of the County Assessor's tax roll: residential and nonresidential property. This initiative would eliminate the ceiling on commercial property taxes, which is currently capped at 1% of the purchase price of the property, and would require all commercial property taxes to be re-assessed to 2021 market values. The initiative would also require commercial and industrial properties to be re-assessed every three years and taxed at market value. No assurance can be provided regarding whether this initiative will pass or the impact to City finances.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the Certificates and the Trustee, and the obligations incurred by the Corporation and the City, respectively, may be subject to the following, among others: the limitations on legal remedies against joint powers authorities and cities in California; the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; principles of equity that may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the U.S. Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. See also, "Bankruptcy" above.

Limitations on Remedies under the Lease

If an event of default occurs and in continuing under the Lease Agreement, there is no remedy of acceleration of any Lease Payments which have not come due. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" attached hereto.

Substitution of Property

Pursuant to the Lease Agreement, the City will have, so long as the Lease Agreement is in effect, the option at any time and from time to time, to substitute other real property for any portion of the Leased Property or release any identifiable real property and/or improvements constituting the Leased Property, provided that the City shall satisfy all of the requirements set forth in the Lease Agreement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Substitution and Release of Property" attached hereto.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Certificates, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

LIMITATIONS ON REVENUES AND APPROPRIATIONS

There are a number of provisions in the State of California Constitution that limit the ability of the City to raise and expend revenues. Contained below is a description of some of these limitations. In addition to the ones discussed in this section below, other initiative measures could be adopted from time to time further affecting the City's revenues and finances.

Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)

Article XIIIA of the California Constitution limits the amounts of *ad valorem* tax on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the City Assessor's valuation of real property as shown on the 1975-76 tax bill under `full cash value', or thereafter the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment period." Furthermore, all real property valuation may be increased to reflect the inflation rate, as shown by the consumer price index, not to exceed 2% per year, or may be reduced in the event of declining property values caused by damage, destruction or other factors.

Article XIIIA exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voters voting on the proposition approving such bonds, and requires a vote of two-thirds of the qualified electorate to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. In addition, Article XIIIA requires the approval of two-thirds of all members of the State legislature to change any State tax law resulting in increased tax revenues.

Article XIIIB of the California Constitution limits the annual appropriations from the proceeds of taxes of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the governmental entity. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax or fee schedules over the subsequent two years.

On November 5, 1996, California voters approved an initiative to amend the California Constitution known as the Right to Vote on Taxes Act ("Proposition 218"), which added Article XIIIC and XIIID to the California Constitution. Among other provisions, Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include cities. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995 and prior to November 6, 1996 will continue to be imposed only if approved by a majority vote in an election held within two years of November 6, 1996. Proposition 218 also provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. This extension of the initiative power is not limited by the terms of Proposition 218 to impositions after November 6, 1996 and absent other legal authority, could result in retroactive reduction in any existing taxes, assessments, fees and charges. In addition, Proposition 218 limits the application of assessments, fees and charges and requires certain existing, new and increased assessments, fees and charges to be submitted to property owners for approval or rejection, after notice and public hearing. The City does not expect the provisions of Proposition 218 to have any immediate material effect on the revenues from which Lease Payments are expected to be appropriated.

Article XIIIA Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIIIA (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax, except to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIIIA of $4.00 per $100 assessed valuation (based on the traditional practice of using 25% of full cash value as the assessed value for tax purposes). The legislation further provided that, for Fiscal Year 1978-79 only, the tax levied by each county was to be appropriated among all taxing agencies within the county in proportion to their average share of taxes levied in certain previous years.

Future assessed valuation growth allowed under Article XIIIA (i.e., new construction, change of ownership, and 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The City is unable to predict the nature or magnitude of future revenue sources that may be provided by the State to replace lost property tax revenues. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above those described above, even with the approval of the affected voters.

Challenges to Article XIIIA

There have been many challenges to Article XIIIA of the California Constitution. The United States Supreme Court heard the appeal in *Nordlinger v. Hahn*, a challenge relating to residential property. Based upon the facts presented in Nordlinger, the United States Supreme Court held that the method of property tax assessment under Article XIIIA did not violate the federal Constitution. The City cannot predict whether there will be any future challenges to California's present system of property tax assessment and cannot evaluate the ultimate effect on the Agency's receipt of tax increment revenues should a future decision hold unconstitutional the method of assessing property.

Statutory Revenue Limitations – Proposition 62

Proposition 62 is a statewide statutory initiative adopted by the voters at the November 4, 1986 general election. It added Sections 53720 to 53730 to the Government Code to require that all new local taxes be approved by the voters. The statute provides that all local taxes are either general taxes or special taxes. General taxes are imposed for general governmental purposes. Special taxes are imposed for specific purposes only. General taxes may not be imposed by local government unless approved by a two-thirds vote of the entire legislative body and a majority of the voters voting on the proposed general tax. Special taxes may not be imposed by local government unless approved by a majority of the entire legislative body and by two-thirds of the voters voting on the special tax. Soon after Proposition 62 was adopted by the voters, legal challenges to taxes adopted contrary to its provisions were filed. In 1991, in the most significant case, *City of Woodlake v. Logan*, the California Court of Appeal held that the statutory voter approval requirement for general taxes was unconstitutional. The California Supreme Court refused to review *Woodlake*.

On September 28, 1995, the California Supreme Court, on a 5-2 vote, in a decision entitled *Santa Clara County Local Transportation Authority v. Guardino* (Case No. S036269), "disapproved" Woodlake and held that the voter approval requirements of Proposition 62 are valid. On December 14, 1995, the Supreme Court made minor nonsubstantive changes to its written opinion and denied the petition for rehearing. The decision provides that the voter approval requirements of Proposition 62 for both general and special taxes are valid. The *Guardino* case fails to say (1) whether the decision is retroactively applicable to general taxes adopted prior to the decision; (2) whether taxpayers have any remedies for refund of taxes paid under a tax ordinance that was not voter approved; (3) what statute of limitations applies to taxes adopted without voter approval prior to *Guardino*; (4) whether Proposition 62 applies only to new taxes or to tax increases as well.

The Court of Appeals in a December 15, 1997 decision entitled *McBearty v. City of Brawley* (Case No. D027877) addressed some of these issues. In Brawley, a taxpayer challenged the city's utility tax that was passed by the city council in 1991 without a vote of the electorate. The Court of Appeals held that (i) a three year statute of limitations applies to challenges to a tax ordinance subject to Proposition 62; and (ii) the statute of limitations did not begin to run until September 1995 when the *Guardino* case determined that Proposition 62 was constitutional. The effect of the holding in Brawley is that any tax ordinances passed between November 1986 and December 1995 that were not approved by the electorate would be subject to a challenge until December 1998. The court ordered the city to either cease collecting the tax or seek voter approval to continue levying the tax. However, in *Howard Jarvis Taxpayers Association v. City of La Habra*, decided on June 4, 2001, the California Supreme Court overruled part of *McBearty*, finding that the three year statute of limitations applicable to such taxes does not run from the date of the *Guardino* decision, but rather the continued imposition and collection of such tax is an ongoing violation, upon which the limitations period begins with each new collection.

Several questions raised by the *Guardino* decision remain unresolved. Proposition 62 provides that if a jurisdiction imposes a tax in violation of Proposition 62, the portion of the one percent general *ad valorem* tax levy allocated to that jurisdiction is reduced by $1 for every $1 in revenue attributable to the improperly imposed tax for each year that such tax is collected. The practical applicability of this provision has not been fully determined. Potential future litigation and legislation may resolve some or all of the issues raised by the *Guardino* decision.

The City cannot predict the outcome of any pending or future litigation concerning the validity of Proposition 62, nor can either predict the scope of the *Guardino* or *McBearty* decisions discussed above. Proposition 62 could affect the ability of the City to continue the imposition of, or to retain, certain taxes, and restrict the City's ability to raise revenue.

Proposition 1A

Proposition 1A ("Proposition 1A"), proposed by the Legislature in connection with the 2004-05 Budget Act and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues such as the tax shifts permitted to take place in Fiscal Years 2004/05 and 2005-06. Proposition 1A provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Such a shift may not occur more than twice in any ten-year period. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A provides that if the State reduces the vehicle license fee ("VLF") rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for state-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26

On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not expect the provisions of Proposition 26 to materially impede the City's ability to pay Lease Payments when due.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 fiscal year, will be allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

MUNICIPAL ADVISOR

The City has retained Willdan Financial Services, as Municipal Advisor, in connection with the execution and delivery of the Certificates. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Norton Rose Fulbright US LLP which is acting as Special Counsel and Disclosure Counsel periodically acts as compliance counsel to Willdan Financial Services in connection with its general regulatory obligations as a municipal advisor; however, such representation does not include representation with respect to this transaction or any evaluation or opinion as to whether

Willdan Financial Services is satisfying or has satisfied any fiduciary duty, fair dealing obligation or suitability analysis with respect to individual transactions or clients.

RATING

S&P Global Ratings ("S&P") has assigned its rating of "__" to all of the Certificates. Such rating reflects only the view of S&P. Any explanation of the significance of such rating may only be obtained from S&P. The information set forth on such website is not incorporated by reference herein. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that any of them will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency circumstances so warrant. Any such downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

UNDERWRITING

Hilltop Securities Inc. (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Certificates at a price equal to $__________ (reflecting a discount) premium of $__________ and an underwriting discount of $_________).

The Certificates may be offered and sold to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The Corporation has determined that no financial or operating data concerning the Corporation is material to any decision to purchase, hold or sell the Certificates and the Corporation will not provide any such information.

The City has covenanted for the benefit of the holders and beneficial owners of the Certificates pursuant to a Continuing Disclosure Agreement, dated the date of execution and delivery of the Certificates (the "Continuing Disclosure Agreement"), by and between the City and Willdan Financial Services, as dissemination agent, to provide certain financial information and operating data relating to the City (the "Annual Report") no later than March 31 following the end of each fiscal year, commencing with the report for Fiscal Year 2019-20, and to provide notices of the occurrence of certain enumerated events through the EMMA System. The specific nature of the information to be contained in the Annual Report and the enumerated events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

[confirm any lapses]

TAX MATTERS

State Income Tax

In the opinion of Special Counsel, under existing law interest with respect to the Certificates is exempt from personal income taxes of the State. Except as stated in the immediately preceding sentence, Special Counsel will express no opinion as to any federal or state tax consequence of the receipt of interest on, or the ownership or disposition of, the Certificates. A copy of the form of opinion of Special Counsel relating to the Certificates is included in APPENDIX E attached hereto.

Federal Income Tax Considerations

The following is a general summary of certain United States federal income tax consequences of the purchase and ownership of the Certificates. The discussion is based upon the laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein.

The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, the discussion below does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Certificates in light of the investor's particular circumstances or to certain types of investors subject to special treatment under federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, broker-dealers, and persons who have hedged the risk of owning the Certificates). The discussion below is limited to certain issues relating to initial investors who will hold the Certificates as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and acquire such Certificates for investment and not as a dealer or for resale. The discussion below addresses certain federal income tax consequences applicable to beneficial owners of the Certificates who are United States persons within the meaning of section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequence to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

Stated Interest with respect to the Certificates. The stated interest with respect to the Certificates will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and will be subject to United States federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Certificates should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Certificates as well as gain on the sale of a Certificate.

Disposition of Certificates and Treatment of Market Discount. A beneficial owner of Certificates will generally recognize gain or loss on the redemption, sale or exchange of Certificates equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Certificates. Generally, the beneficial owner's adjusted tax basis in the Certificates will be the beneficial owner's initial cost, increased by the original issue discount (if any) previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Certificates.

Under current law, a purchaser of a Certificate who did not purchase that Certificate in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition (or earlier partial principal payment) of such Certificate, to recognize as ordinary income a portion of the gain (or partial principal payment), if any, to the extent of the accrued "market discount." In general, market discount is the amount by which the price paid for such Certificate by a subsequent purchaser is less than the sum of the issue price and the amount of original issue discount previously accrued on the Certificates. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Certificates with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The recharacterization of gain as ordinary income on a subsequent disposition of such Certificates could have a material effect on the market value of such Certificates.

Legal Defeasance. If the City elects to prepay the Certificates by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Certificates (a "legal defeasance"), under current tax law, a beneficial owner of Certificates may be deemed to have sold or exchanged its Certificates. In the event of such a legal defeasance, a beneficial owner of Certificates generally would recognize gain or loss in the manner described above. Ownership of the Certificates after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Certificates.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Certificates who is a United States person may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Certificates or with respect to proceeds received from a disposition of the Certificates. This withholding applies if such beneficial owner of Certificates: (i) fails to furnish to the payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Certificates. Beneficial owners of the Certificates should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Certificates is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as "portfolio interest." Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country that the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Certificates is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest with respect to the Certificates pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments with respect to the Certificates are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8BEN, Form W-8BEN-E, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain United States persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial United States owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Certificates and sales proceeds of Certificates held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments. Subject to certain exceptions, the stated interest with respect to the Certificates will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099-INT (or other appropriate reporting form) which will reflect the name, address, and taxpayer identification number of the owner. A copy of such Form 1099-INT will be sent to each beneficial owner of a Certificate for federal income tax purposes.

The preceding discussion of certain United States federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Certificates, including the applicability and effect of any state, local, or foreign tax law, and of any proposed change of applicable law.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA Plans") regarding prohibited transactions, and also imposes certain obligations on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes similar prohibited transaction restrictions on (i) tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under section 501(a) of the Code and which are not governmental and church plans as defined herein ("Qualified Retirement Plans"), and (ii) Individual Retirement Accounts described in Section 408(b) of the Code ("Tax-Favored Plans"). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Additionally, such governmental and non-electing church plans are not subject to the requirements of Section 4975 of the Code. Although assets of such governmental or non-electing church plans may be invested in the Certificates without regard to the ERISA and Code considerations described below, any such investment may be subject to provisions of applicable federal and state law that are, to a material extent, similar to the requirements of ERISA and Section 4975 of the Code ("Similar Law").

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans (such persons are referred to as "Parties in Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative class exemption is available.

Certain transactions involving the purchase, holding or transfer of the Certificates might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the City were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the City would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code if the Benefit Plan acquires an “equity interest” in the City and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Certificates should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. However, without regard to whether the Certificates are treated as an equity interest for such purposes, the acquisition or holding of the Certificates by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the City, any Underwriter, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Certificates should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest, (ii) the sale or exchange of any property between a Benefit Plan and a Party in Interest, and (iii) the transfer to, or use by or for the benefit of, a Party in Interest, of any Benefit Plan assets.

Certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Certificate. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 75-1, relating to certain broker-dealer transactions, PTCE 96-23, regarding transactions effected by “in-house asset managers;” PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts;” PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibitions of Section 406(a) of ERISA and Section 4975 of the Code for certain transactions between Benefit Plans and persons who are Parties in Interest solely by reason of providing services to such Benefit Plans or who are persons affiliated with such service providers, provided generally that such persons are not fiduciaries with respect to “plan assets” of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

By its acceptance of a Certificate, each purchaser will be deemed to have represented and warranted that either (i) the purchase and holding of such Certificate does not constitute a prohibited transaction under ERISA, Section 4975 of the Code or Similar Law, or (ii) the purchase and holding of such Certificates is exempt from the prohibited transaction restrictions of ERISA, Section 4975 of the Code or Similar Law pursuant to a statutory or administrative class exemption.

Any Benefit Plan fiduciary considering whether to purchase Certificates on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. In addition, persons responsible for considering the purchase of the Certificates by a governmental plan or non-electing church plan should consult with its counsel regarding the applicability of any Similar Law to such an investment.

LITIGATION

There is no controversy of any nature now pending against the City or the Corporation or, to the knowledge of their respective officers threatened, seeking to restrain or enjoin the sale, execution or delivery of the Certificates or in any way contesting or affecting the validity of the

Certificates or any proceedings of the City or the Corporation taken with respect to the sale, execution or delivery thereof or the pledge or application of any moneys or security provided for the payment of the Certificates or the use of the proceeds of the sale of the Certificates or contesting the corporate existence of the City or the Corporation, or the title of the officers thereof to their respective offices.

There are a number of lawsuits and claims pending against the City for which the City is either self-insured or insured in varying degrees by commercial insurance, or which in the aggregate, if determined adversely to the City, could have a material adverse impact on the City's finances in the future. However, the City does not expect any such suits or claims to have a material adverse effect on the City's ability to make Lease Payments under the Lease Agreement. [**confirm]**

FINANCIAL STATEMENTS

The City's financial statements for the Fiscal Year ended June 30, 2019, included in APPENDIX B attached hereto, have been audited by Van Lant Fankhanel LLP. Van Lant Fankhanel LLP was not requested to consent to the inclusion of its report in APPENDIX B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by Van Lant Fankhanel LLP with respect to any event subsequent to the date of its report.

APPROVAL OF LEGAL PROCEEDINGS

The execution and delivery of the Certificates is subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Special Counsel to the City, to be delivered in substantially the form set forth in APPENDIX E attached hereto. Norton Rose Fulbright US LLP in its role as Special Counsel has undertaken no responsibility to the owners of the Certificates or any other party for the accuracy, completeness or fairness of this Official Statement or any other offering material related to the Certificates, and expresses no opinion to the Owners with respect thereto. Certain legal matters also will be passed upon for the City and the Corporation by the City Attorney and for the Underwriter by its counsel Nixon Peabody LLP, Los Angeles, California.

EXECUTION AND DELIVERY

The execution and delivery of this Official Statement has been authorized by the City and the Corporation.

CITY OF LA PUENTE

By: ______________________________
City Manager

PUBLIC PROPERTY FINANCING CORPORATION

By: ______________________________
Chairman

APPENDIX A

SUPPLEMENTAL INFORMATION – THE CITY OF LA PUENTE

The following information relating to the City of La Puente, California (the "City") and the County of Los Angeles (the "County') is provided for informational purposes only. Principal and interest with respect to the Certificates (as defined in the front part of this Official Statement) is payable solely as described in this Official Statement and are not payable or secured by a pledge of the faith and credit or taxing power of the City or any political subdivision of the State of California, including the County of Los Angeles.

[TO BE UPDATED]

COVID 19 Pandemic

The economic and demographic data contained in this appendix are the latest available, but are as of dates and for periods before the economic impact of the COVID 19 pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City, the County or the region or of expected revenues to the General Fund. See "RISK FACTORS – COVID 19 Pandemic" in the forepart of this Official Statement.

General Description and Background

Los Angeles County is located in the Southern region of the State of California. It borders 70 miles of coast on the Pacific Ocean and encompasses mountain ranges, valleys, forests, islands, lakes, rivers and desert. It is one of California's original 27 counties and was established on February 18, 1850. It is one of the nation's largest counties with 4,084 square miles, and has the largest population of any county in the nation - nearly 10 million residents who account for approximately 27 percent of California's population. As a subdivision of the state, the County is charged with providing numerous services that affect the lives of all residents, including law enforcement, tax collection, public health protection, public social services, elections and flood control.

Los Angeles County is home to 88 incorporated cities and many unincorporated areas. In between the large desert portions of the county — which make up around 40% of its land area — and the heavily urbanized central and southern portions, sit the San Gabriel Mountains, containing the Angeles National Forest. Los Angeles is a charter county governed by a five-member elected Board of Supervisors. Each member serves alternating four-year terms, and is elected by residents from their respective supervisorial districts to serve four-year terms. The other elected officials of the County are the Assessor, District Attorney and Sheriff.

The City of La Puente lies in Los Angeles County, 20 miles east of downtown Los Angeles in the San Gabriel Valley, between the City of West Covina to the north and the City of Industry to the south. The City, which covers approximately 3.5 square miles in the County, was incorporated in 1956 and is a general law city. The City Council consists of five members, who are elected at large to serve staggered four-year terms on alternate slates every two years. The Mayor and Mayor Pro Tem are selected by the City Council to serve 2-year terms. The City Council appoints the City Manager, who in turn appoints the heads of various departments. The City Manager is the chief administrative officer, responsible for administering all operations, finances, projects and appointment/ removal of employees of the City consistent with City Council policy directives and applicable law.

Population

The following table lists population figures for the City, the County and the State for the last nine completed years and the current calendar year.

**CITY OF LA PUENTE, LOS ANGELES COUNTY
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2010 through 2019
(as of January 1)**

Calendar Year	City of La Puente	Los Angeles County	State of California
2010	39,816	9,818,605	37,253,956
2011	40,040	9,885,948	37,594,781
2012	40,335	9,972,649	37,971,427
2013	40,557	10,040,960	38,321,459
2014	40,712	10,098,952	38,622,301
2015	40,822	10,155,753	38,952,462
2016	40,780	10,185,851	39,214,803
2017	40,764	10,226,920	39,504,609
2018	40,719	10,254,658	39,740,508
2019	40,795	10,253,716	39,927,315

Source: State Department of Finance, Demographic Research Unit.

Employment and Industry

The City and County are included in the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area (the "MSA"). The distribution of employment in the MSA is presented in the following table for the past five calendar years. These figures are multi county-wide statistics and may not accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2014 through 2018
Los Angeles County (Los Angeles-Long Beach-Glendale Metropolitan Division)

Category	2014	2015	2016	2017	2018
Total Farm	5,200	5,000	5,300	5,800	4,800
Total Nonfarm	4,188,700	4,281,500	4,390,400	4,435,700	4,514,900
Total Private	3,632,500	3,713,000	3,814,200	3,850,200	3,920,500
Goods Producing	492,700	496,800	497,100	490,100	491,600
Mining and Logging	4,300	3,900	3,600	2,200	1,900
Construction	118,500	126,200	133,100	137,700	146,000
Manufacturing	370,000	366,800	360,400	350,100	343,700
Durable Goods	208,700	208,100	203,600	202,000	202,900
Nondurable Goods	161,300	158,700	156,900	148,100	140,800
Service Providing	3,696,000	3,784,700	3,893,300	3,945,600	4,018,500
Private Service Producing	3,139,800	3,216,200	3,317,100	3,360,100	3,428,900
Trade, Transportation and Utilities	798,800	816,400	829,900	838,000	850,900
Wholesale Trade	222,500	225,700	227,000	224,500	222,800
Retail Trade	413,000	419,200	422,300	422,500	425,300
Transportation, Warehousing and Utilities	163,400	171,500	180,600	191,800	202,800
Information	198,800	207,500	230,900	192,100	191,300
Financial Activities	211,200	215,500	219,800	214,500	217,400
Professional and Business Services	593,300	595,500	605,200	613,400	620,000
Educational and Health Services	720,700	741,100	767,400	794,300	823,600
Leisure and Hospitality	466,600	489,100	510,500	523,900	534,300
Other Services	150,500	151,000	153,400	154,100	159,700
Government	556,200	568,500	576,300	585,500	589,600
Total, All Industries	4,193,900	4,286,500	4,395,700	4,441,400	4,514,900

Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2018 Benchmark.
Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

The following table summarizes the labor force, employment and unemployment figures for the past five years for the City, the County, the State of California and the United States.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of La Puente, Los Angeles County, the State of California, and the United States
2014 through 2018(1)

Year and Area	Labor Force	Employment(2)	Unemployment(3))	Unemployment Rate (%)
2014				
City of La Puente	18,800	17,400	1,400	7.3
Los Angeles County	5,025,900	4,611,500	414,300	8.2
California	18,811,400	17,418,000	1,409,900	7.5
United States	155,922,000	146,305,000	9,617,000	6.21
2015				
City of La Puente	18,700	17,600	1,100	5.8
Los Angeles County	5,011,700	4,674,800	336,900	6.7
California	18,981,800	17,798,600	1,183,200	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of La Puente	19,000	18,000	1,000	5.4
Los Angeles County	5,043,300	4,778,800	264,500	5.2
California	19,102,700	18,065,000	1,037,700	5.4
United States	159,640,000	152,111,000	7,529,000	4.7
2017				
City of La Puente	19,100	18,200	900	4.9
Los Angeles County	5,123,900	4,883,600	240,300	4.7
California	19,312,700	18,393,100	918,900	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
City of La Puente	19,300	18,300	900	4.8
Los Angeles County	5,136,300	4,896,500	239,800	4.7
California	19,398,200	18,582,800	815,400	4.2
United States	163,240,000	156,945,000	6,294,000	3.9

Source: U.S. Department of Labor - Bureau of Labor Statistics, California Employment Development Department., Labor Market Division.
Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Major Employers

The table below lists the principal private sector and public sector employers within the County as of January 2019:

LOS ANGELES COUNTY
Major Employers

Employer Name	Location	Industry
AHMC Healthcare Inc	Alhambra	Health Care Management
American Honda Motor Co Inc	Torrance	Automobile-Manufacturers
Cedar-Sinai Medical Center	West Hollywood	Hospitals
Deluxe Digital Media Mgmt. Inc	Burbank	Audio-Visual Consultants
JET Propulsion Laboratory	Pasadena	Research Service
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
La County of Education	Downey	Educational Service-Business
LAC & USC Medical Center	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	Government Offices
Longshore Dispatch	Wilmington	Non-classified Establishments
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Center	Los Angeles	Pathologists
Los Angeles Police Department	Los Angeles	Police Departments
Paramount Special Events	Los Angeles	Motion Picture Producers & Studios
Radford Studio Center Inc	Studio City	Government-Operators-Nonresidential Bldg.
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
UCLA Health System	Los Angeles	Physicians & Surgeons
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
University of Ca Los Angeles	Los Angeles	University-College Dept./Facility/Office
Vxi Global Solutions	Los Angeles	Call Centers
Walt Disney Co	Burbank	Motion Picture Producers & Studios
Warner Brothers Studio	Burbank	Television Program Producers

Source: State of California Employment Development Department.

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic accounts statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment ("CCAdj"), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

The following table shows per capita personal income for the County, State and the United States for the most recent 10 years for which data is available. Annual 2018 data is not yet available.

PER CAPITA PERSONAL INCOME
2008 through 2017
Los Angeles County, State of California, and United States

Year	Los Angeles County	State of California	United States
2008	$43,633	$43,786	$41,082
2009	41,714	41,588	39,376
2010	42,540	42,411	40,277
2011	44,627	44,852	42,453
2012	47,713	47,614	44,266
2013	47,580	48,125	44,438
2014	49,400	49,985	46,049
2015	54,298	54,664	48,451
2016	55,624	56,308	49,246
2017	58,419	59,796	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
Note: Per capital personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Commercial Activity

During calendar year 2018 total taxable transactions in the City were reported to be $287,484,000, a 3.0% increase over the total taxable transactions of approximately $278,832,000 that were reported in the City during calendar year 2017. The following table summarizes historic taxable sales within the City.

CITY OF LA PUENTE
Taxable Retail Sales
Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores	Total All Outlets
2014	$214,849	$236,611
2015	227,990	251,089
2016	247,125	267,567
2017	259,505	278,832
2018	263,081	287,484

Source: *"Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.*
Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

During calendar year 2018, total taxable transactions in the County were reported to be $166,023,795,000 a 4.2% increase over the total taxable transactions of $159,259,356,000 that were reported in the County during calendar year 2017. The following table summarizes historic taxable sales within the County during the most recent five years for which data is available.

LOS ANGELES COUNTY
Taxable Retail Sales
Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores	Total All Outlets
2014	$104,189,819	$147,446,927
2015	108,147,021	151,033,781
2016	109,997,043	154,208,333
2017	113,380,347	159,259,356
2018	119,145,054	166,023,795

Source: *"Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.*
Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the County are shown in the following tables.

LOS ANGELES COUNTY
Building Permits And Valuations
2014 Through 2018

(Dollars in Thousands)	2014	2015	2016	2017	2018
Valuation					
Residential	$ 5,509,418	$ 6,383,036	$ 6,575,607	$ 7,368,352	$ 7,441,001
Non-Residential	6,657,571	5,645,372	5,287,623	6,037,503	6,694,098
Total	$12,166,989	$12,028,408	$11,863,230	$13,405,855	$14,135,099
Units					
Single Family	4,358	4,487	4.780	5,456	6,070
Multiple Family	14,349	18,405	15,589	17,023	17,152
Total	18,707	22.892	20.369	22.479	23,222

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

Largest Taxpayers

The twenty largest taxpayers in the County included on the Fiscal Year 2017-18 secured tax roll, and the approximate amounts of their aggregate levies for all taxing jurisdictions within the County are shown below. Property owned by the twenty largest taxpayers had a full cash value of $41,246,376,188 which constitutes only 3.02% of the total full cash value for the entire County.

Taxpayer	Total Tax Levy 2017-18
Southern California Edison Co	$ 98,516,731
Maguire Properties	48,602,737
Douglas Emmett Residential	45,967,366
Universal Studios LLC	29,423,472
Chevron USA Inc/TEXACO / UNOCAL	27,776,295
Southern California Gas Co	27,750,212
Tishman Speyer/Archstone Smith / ASN	26,070,775
TESORO Refining and Marketing Co	24,709,467
Prologis Z AMB	22,763,134
AT&T Communications	22,411,612
ESSEX Portfolio LP	18,320,770
Phillips 66	15,189,937
Frontier Communications	13,418,057
Macerich / Westside Pavilion	11,811,258
Beacon OH Co / Ultramar / Valero Energy Co	11,732,538
Kaiser Foundation	11,258,680
FSP South Flower Street	11,184,113
CBS Inc/Paramount Pictures Corp	10,800,510
PBF Energy	10,525,380
Participants In Long Beach Unit	10.226,048
Total:	$498,459,092

Note: Totals may not add to sum because of rounding.
Source: Los Angeles County Treasurer and Tax Collector.

Public Safety

The County criminal justice network is primarily supported by local County revenue sources, State Public Safety sales tax revenue and fees from contracting cities. The Sheriff provides county-wide law enforcement services and will perform specific functions requested by local police departments, including the training of thousands of police officers employed by the incorporated cities of the County. Specifically, the County provides training for narcotics, vice, homicide, consumer fraud, and arson investigations, as well as assistance in locating and analyzing crime scene evidence. The County also operates and maintains one of the largest jail systems in the United States, with an average daily Inmate population of approximately 16,613 inmates. This number includes approximately 622 Inmates who were serving their sentences outside of the jail in community based alternatives to custody programs.

Transportation

The County is one of the world's largest transportation centers. The region's ports, airports, integrated rail and highway facilities are part of an extensive transportation infrastructure that provides valuable service to residents, visitors, and industry. All transcontinental airlines and many international carriers serve the Los Angeles area through major air terminals at LAX, Long Beach Airport and the Bob Hope Airport in Burbank. LAX is ranked as the fourth busiest airport in the world and second in the United States for passenger traffic. The Ports of Los Angeles and Long Beach are adjacent ports that encompass the nation's largest pod complex in terms of annual cargo tonnage and container volume. The combined Los Angeles/Long Beach pod complex has been one of the fastest growing pod facilities in the United States, and is the busiest pod complex in the U.S. and western hemisphere, and the tenth busiest in the world. The pod complex is a powerful economic force in the region, with a direct connection to hundreds of thousands of jobs in Southern California and billions of dollars in state and local tax revenue. The Metro System is a multi-modal and integrated passenger transportation system that provides service to the greater Los Angeles area. With over 414 million in annual boardings, the Metro System is the second largest public transportation system in the U.S. The Metro System was designed to meet the travel needs of the area's diverse population centers through a variety of transportation services that will be implemented over a 30- year period.

Culture and Recreation

Through a partnership with community leaders, non-profit organizations, volunteers and the private sector, the County operates the Music Center complex, which includes the Dorothy Chandler Pavilion, Mark Taper Forum, Ahmanson Theater, and the Walt Disney Concert Hall. The County also functions as the operator of the Hollywood Bowl, the John Anson Ford Theater, the Los Angeles County Museum of Art, the Museum of Natural History, and the George C. Page Museum. The County manages over 182 parks and operates a network of regional recreational facilities, including Marina del Rey (a small craft harbor), 10 regional parks, 44 neighborhood parks, 16 community parks, 14 wildlife sanctuaries, 10 nature centers, 40 public swimming pools, over 200 miles of horse, biking and hiking trails, and 20 golf courses. The County also maintains botanical centers, including the Arboretum and Botanic Garden, the South Coast Botanic Garden, Descanso Gardens, and the Virginia Robinson Gardens, providing County residents with valuable environmental and educational resources.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF LA PUENTE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

[insert APPENDIX C]

[insert APPENDIX D]

APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

APPENDIX F

BOOK-ENTRY SYSTEM

The information in the following sections entitled "DTC's Book-Entry System" has been provided by DTC for use in securities offering documents, and the Lessee takes no responsibility for the accuracy or completeness thereof. The Lessee cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Certificates or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Certificates, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

DTC's Book-Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The Certificates will be executed and delivered as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Certificate will be issued with respect to each maturity of the Certificates, and such Certificates will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Rating rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Prepayment notices shall be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Lessee (or the Trustee on behalf thereof) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, prepayment price and interest payments with respect to the Certificates will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Lessee or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Lessee or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, prepayment price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the Lessee or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

The Lessee may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Lessee believes to be reliable, but the Lessee takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of La Puente (the "City") and Willdan Financial Services, as dissemination agent (the "Dissemination Agent"), in connection with the issuance of $___________ City of La Puente, Certificate of Participation, 2020 Series A (Federally Taxable) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2020 (the "Trust Agreement"), by and among the City, Public Property Financing Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee"). Pursuant to the Trust Agreement, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Beneficial Owners of the Certificates and to assist the Participating Underwriter in complying with the Rule (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Audited Financial Statements" means the audited financial results of the City for the applicable Fiscal Year.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Business Day" shall mean a day, other than (a) Saturday or Sunday and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

"Disclosure Representative" shall mean the designee of the City designated to act as the Disclosure Representative, or such other person as the City shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" means an entity selected and retained by the City, or any successor thereto selected by the City. The initial Dissemination Agent shall be Willdan Financial Services.

"EMMA" shall mean the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at *http://emma.msrb.org*.

"Fiscal Year" shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the City, with notice of such selection or change in fiscal year to be provided as set forth herein.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at *http://emma.msrb.org*.

"Participating Underwriter" shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Repository" shall mean EMMA, until otherwise designated by the SEC.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

"State" shall mean the State of California.

"SEC" shall mean the U.S. Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year (being March 31), commencing with the fiscal year ending June 30, 2020, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than one Business Day prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The City shall provide, or cause the preparer of the Annual Report to provide, a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished to it hereunder. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Report.

(c) If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a), the City in a timely manner shall send, or shall cause the Dissemination Agent to send, a notice to the Repository or to the MSRB, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. The Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, dated October ___, 2020 relating to the Certificates (the "Official Statement") and the Audited Financial Statements shall be filed in the same manner as the Annual Report when such Audited Financial Statements become available.

(b) Financial information and operating data contained in the Official Statement presented on an annual basis for the immediately preceding Fiscal Year of the type set forth in [Tables _____] in the body of the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Listed Events</u>.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Certificates, which notice shall be given in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

(7) Modifications to rights of Certificate holders, if material;

(8) Certificate calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or a similar event of the City;

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) The Dissemination Agent shall, within one (1) business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), inform the City of the occurrence of such event. As soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent, if other than the City, shall within one (1) business day after obtaining knowledge of the occurrence of any of any of the events listed in Section 5(a) (2), (7), (8), (10), (13), (14) or (15), inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d).

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (8), (10), (13), (14) and (15), the City shall as soon as possible, in order to meet the ten (10) business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(e) The City shall, within one (1) business day after obtaining knowledge of the occurrence of any of the Listed Events, inform the Dissemination Agent, if other than the City, of such event and notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (b) or (d).

Section 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent, other than the City, to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized special counsel, such amendment or waiver is permitted by the Rule.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if other than the City, shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent, if other than the City, shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent, if other than the City, shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Corporation, the Trustee, the Beneficial Owners, or any other party. The obligations of the City under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Notices. Any notices or communications herein required or permitted to be given shall be in writing and shall be delivered in such manner and to such addresses as are specified by the parties.

[Remainder of page intentionally left blank]

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: _____________, 2020

CITY OF LA PUENTE

By: ________________________________
Authorized Representative

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: ________________________________
Authorized Representative

Exhibit A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of La Puente (the "City")

Name of Issue: $_________ City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable)

Date of Issuance: _____________, 2020

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-captioned Certificates as required by the Trust Agreement, dated as of October 1, 2020 (the "Trust Agreement"), by and among the City, Public Property Financing Corporation and U.S. Bank National Association, as trustee thereunder. [The City anticipates that the Annual Report will be filed by [date].]

Dated: __________, 20__

________________________________,
as Dissemination Agent

cc: City of La Puente

$______
CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION, 2020 SERIES A
(FEDERALLY TAXABLE)

PURCHASE CONTRACT

October___, 2020

Public Property Financing Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361

City of La Puente
15900 E. Main Street
La Puente, California 91744

Ladies and Gentlemen:

Hilltop Securities Inc. (the "**Underwriter**") offers to enter into this Purchase Contract (this "**Purchase Contract**") with the Public Property Financing Corporation (the "**Corporation**") and the City of La Puente (the "**City**") for the purchase by the Underwriter of the City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) (the "**Certificates**"). This offer is made subject to the Corporation's and the City's acceptance by execution of this Purchase Contract and delivery of the same to the Underwriter on or before 11:59 p.m. California time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Corporation and the City at any time prior to such acceptance. Upon the Corporation's and the City's acceptance hereof, this Purchase Contract will be binding upon the Corporation, the City and the Underwriter.

The Corporation and the City acknowledge that the Underwriter has provided them with the statements contained in clauses (i) through (iii) and acknowledge and agree with the statements contained in clauses (iv) through (vi) : (i) the purchase and sale of the Certificates pursuant to this Purchase Contract is an arm's-length commercial transaction between the Corporation, the City, and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as agent or Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), and has not assumed any advisory or fiduciary responsibility in favor of the Corporation or the City with respect to the offering of the Certificates or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Corporation or the City on other matters); (iii) the only obligations the Underwriter has to the Corporation and the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; (iv) the Corporation and the City have consulted their own legal, financial, accounting, tax and other advisors to the extent each has deemed appropriate; (v) the Underwriter has financial interests that differ from and may be adverse to those of the City and the Corporation; and (vi) the Underwriter has provided the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the "**MSRB**"). The Corporation and the City acknowledge and represent that they have engaged Willdan Financial Services as their municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Willdan Financial Services with respect to the Certificates.

The City acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of required Underwriter disclosure under Rule G-17 of the MSRB.

Capitalized terms used in this Purchase Contract and not otherwise defined herein will have the respective meanings set forth for such terms in the Trust Agreement (as hereinafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Contract, the Underwriter agrees to purchase from the Corporation, and the Corporation agrees to execute and deliver to the Underwriter, all (but not less than all) of the Certificates at a purchase price of $___________ (being an amount equal to the principal amount of the Certificates ($___________), *plus* an original issue premium of $___________, and *less* an underwriter's discount of $___________). The obligation of the Underwriter to purchase, accept delivery of and pay for the Certificates will be conditioned on the sale and delivery of all of the Certificates by the Corporation to the Underwriter at Closing (hereinafter defined).

Section 2. Bond Terms; Purpose; Security.

(a) Bond Terms and Authorization. The Certificates will be dated their date of delivery and will mature and bear interest as shown on Exhibit A. The Certificates will be as described in, and will be executed and secured under, a Trust Agreement, dated as of October 1, 2020 (the "**Trust Agreement**"), by and among the Corporation, the City and U.S. Bank National Association, as trustee (the "**Trustee**"). The Certificates are payable and subject to redemption as shown in Exhibit A.

The Certificates will evidence the proportionate undivided interests in Lease Payments to be made pursuant to a Lease Agreement, dated as of October 1, 2020 (the "**Lease Agreement**"), by and between the City and the Corporation.

Pursuant to an Assignment Agreement dated as of October 1, 2020 (the "**Assignment Agreement**"), between the Corporation and the Trustee, the Corporation has assigned to the Trustee, for the benefit of the owners of the Certificates, its rights under the Lease Agreement, including (i) its right to amounts payable by the City under the Lease Agreement, (ii) its right to receive the proceeds of casualty and rental interruption insurance on the Leased Property and (iii) its right to enforce payment of amounts due upon default.

(b) Purpose. The Certificates are being executed and delivered to: (i) finance all or a portion of the Lessee's outstanding pension and/or OPEB liabilities and (ii) pay costs of delivery in connection with the Certificates.

Section 3. Public Offering. The Underwriter agrees to make an initial bona fide public offering of all of the Certificates, at not in excess of the initial public offering yields or prices set forth on Exhibit A and in accordance with the priority of order instructions from the City or as otherwise applicable in accordance with the rules of the MSRB. The Underwriter shall take all required steps to ensure that orders submitted during any retail order period meet the conditions of the City and the requirements of MSRB rules. Following the initial public offering of the Certificates, the offering prices may be changed from time to time by the Underwriter, provided that the Underwriter shall not change any of the principal amounts or the interest rates set forth on Exhibit A. The Certificates may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Certificates are subject to prepayment as set forth in Exhibit A.

Section 4. Official Statement; Continuing Disclosure. (a) The Corporation and the City have delivered to the Underwriter the Preliminary Official Statement dated October ___, 2020 (the "**Preliminary Official Statement**") and will deliver to the Underwriter a final official statement dated the date of this Purchase Contract (as amended and supplemented from time to time pursuant to Section 5(i) of this Purchase Contract, the "**Official Statement**"). Subsequent to its receipt of the Corporation's and the City's 15c2-12 Certificate, in substantially the forms attached hereto as Exhibit B, deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as amended ("**Rule 15c2-12**"), the Underwriter has distributed copies of the Preliminary Official Statement. The Corporation and the City hereby ratify the use by the Underwriter of the Preliminary Official Statement and authorize the Underwriter to use and distribute in printed and/or electronic format the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the Corporation and the City as evidenced by the execution and delivery of such document by an officer of the Corporation and the City), the Trust Agreement, the Lease Agreement, the Site Lease, dated as of October 1, 2020 (the "**Site Lease**"), by and between the City and the Corporation, the Assignment Agreement, this Purchase Contract, the Continuing Disclosure Agreement (hereinafter defined), and all information contained therein, and all other documents, certificates and written statements furnished by the Corporation and the City to the Underwriter in connection with the transactions contemplated by this Purchase Contract, in connection with the offer and sale of the Certificates by the Underwriter.

The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the date of the Closing and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Certificates, including, without limitation, MSRB Rule G-11, G-32 and Rule 15c2-12. The Corporation and the City agree to deliver to the Underwriter as many copies of the Official Statement as the Underwriter will reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12. The Corporation and the City agree to deliver the final Official Statement within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under Rule 15c2-12 and Rule G-32 of the MSRB.

(b) The Underwriter agrees to: (1) provide the Corporation with final pricing information on the Certificates on a timely basis prior to the Closing and (2) take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and MSRB rules governing the offering, sale and delivery of the Certificates to ultimate purchasers.

(c) In connection with the execution and delivery of the Certificates, and in order to assist the Underwriter with complying with the provisions of Rule 15c2-12, the City will execute a Continuing Disclosure AgreementDisclosure Agreement (the "**Continuing Disclosure AgreementDisclosure Agreement**") with Willdan Financial Services, as Dissemination Agent, under which the City will undertake, on behalf of the Corporation, to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure AgreementDisclosure Agreement is attached as an appendix to the Preliminary Official Statement and will be attached as an appendix to the final Official Statement.

Section 5. Representations, Warranties and Covenants of the Corporation. The Corporation hereby represents, warrants and agrees with the Underwriter that:

(a) The Corporation is a nonprofit public benefit corporation duly organized and in good standing under the laws of the State of California (the "**State**") and has all necessary power and authority to adopt the Corporation Resolution (as hereinafter defined), to enter into and perform its duties under the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement, and this Purchase

Contract (the "**Corporation Agreements**") and, when executed and delivered by the respective parties thereto, each Corporation Agreement will constitute the legal, valid and binding obligation of the Corporation enforceable in accordance with its respective terms.

(b) The Board of Directors of the Corporation (the "**Corporation Board of Directors**") has taken official action by a resolution adopted on __________, 2020 (the "**Corporation Resolution**") adopted by a majority of the members of the Corporation Board of Directors at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Corporation Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the Corporation to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the Corporation has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Certificates and the Corporation Agreements, and the consummation by it of all other transactions contemplated by the Corporation Resolution, the Corporation Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the Corporation Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Corporation, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) The statements and information contained in the Official Statement relating to the Corporation and the Certificates (other than information relating to The Depository Trust Company ("**DTC**") and its book-entry only system) are correct and complete in all material respects, and the information contained in the Official Statement (other than information relating to DTC and its book-entry only system or information provided by the Underwriter with respect to the Underwriter or provided by the Municipal Advisor with respect to the Municipal Advisor) does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the Corporation or, to the best knowledge of the Corporation, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Corporation, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of Corporation Agreements or the Certificates, or (iii) in any way question or affect the Corporation Agreements or the transactions contemplated by the Corporation Agreements, the Official Statement, or any other agreement or instrument to which the Corporation is a party relating to the Certificates.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the Corporation required for the execution and delivery of this Purchase Contract or the consummation by the Corporation of the other transactions contemplated by the Official Statement or the Corporation Agreements.

(g) Any certificate signed by any official of the Corporation authorized to do so will be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein.

(h) Except as previously disclosed to the Underwriter, the Corporation is not in default, and at no time has the Corporation defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) After the Closing, the Corporation will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by Underwriter's Counsel (hereinafter defined). If any event relating to or affecting the Corporation occurs as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Corporation will use its best efforts to assist the Underwriter in preparing (at the expense of the Corporation for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. For the purposes of this subsection, the Corporation will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement, the Corporation has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 during the past five years.

(k) The Corporation covenants with the Underwriter that the Corporation will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Certificates for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the Corporation shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Corporation consents to the use by the Underwriter of the Corporation Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Certificates.

Section 6. Representations, Warranties and Covenants of the City. The City hereby represents, warrants and agrees with the Underwriter that:

(a) The City is a general law city duly organized and existing under the laws of the State and its City Council has all necessary power and authority to adopt its resolution adopted on ___________, 2020 (the "**City Resolution**"), to enter into and perform its duties under the Trust Agreement, the Lease Agreement, the Site Lease, the Continuing Disclosure AgreementDisclosure Agreement and this Purchase Contract (the "**City Agreements**") and, when executed and delivered by the respective parties thereto, the City Agreements will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

(b) The City Council of the City (the "**City Council**") has taken official action by adopting the City Resolution by a majority of the members of the City Council at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the City Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the City has duly adopted the City Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the City Agreements, and the consummation by it of all other transactions contemplated by the City Resolution, the City Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the City's acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official Statement (other than any information concerning the Corporation, DTC and the book-entry system for the Certificates or provided by the Underwriter with respect to the Underwriter or provided by the Municipal Advisor with respect to the Municipal Advisor) do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the City or, to the best knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of the City Agreements or the Certificates, or (iii) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Official Statement, or any other agreement or instrument to which the City is a party relating to the Certificates.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of this Purchase Contract or the consummation by the City of the other transactions contemplated by the Official Statement or the City Agreements.

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

(h) Except as previously disclosed to the Underwriter, the City is not in default, and at no time has the City defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) [heading?][if disclosure counsel opinion will cover the POS, then please include the POS in City and Corporation reps and certs.]

(1) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City since June 30, 2019, and there has been no occurrence or circumstance or combination thereof that is reasonably expected to result in any such materially adverse change.

(2) If between the date of this Purchase Contract and the date which is 25 days following the End of the Underwriting Period, any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading, the City will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. [Define "End of Underwriting Period" here.] [This general rep only needs to come from the City]

(3) After the Closing, the City will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by Underwriter's Counsel. If any event relating to or affecting the City occurs as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the City will use its best efforts to assist the Underwriter in preparing (at the expense of the City for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. For the purposes of this subsection, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, the City has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 in the past five years.

(k) The City does not need the consent of its auditor to include its audited financial statements for the fiscal year ended June 30, 2019 as an appendix to the Official Statement.

(l) The City covenants with the Underwriter that the City will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Certificates for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the City shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The City consents to the use by the Underwriter of the City Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Certificates.

Section 7. The Closing. (a) At 8:30 A.M., California time, on October 29, 2020, or on such earlier or later time or date as may be agreed upon by the Underwriter, the Corporation and the City (the "**Closing**"), the Corporation will deliver the Certificates to the Underwriter, through the book-entry system of DTC. Prior to the Closing, the Corporation and the City will deliver, at the offices of Norton Rose Fulbright US LLP ("**Special Counsel**") in Los Angeles, California, or such other place as is mutually agreed upon by the Underwriter and the Corporation, the other documents described in this Purchase Contract. On the date of the Closing, the Underwriter will pay the purchase price of the Certificates as set forth in Section 1 of this Purchase Contract in immediately available funds to the order of the Trustee.

(b) The Certificates will be issued in fully registered form and will be prepared and delivered as one Certificate for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Certificates, but neither the failure to provide such numbers nor any error with respect thereto will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Certificates in accordance with the terms of this Purchase Contract.

Section 8. Conditions to Underwriter's Obligations. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Corporation and the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the Corporation and the City of their respective obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter's obligations under this Purchase Contract are and will also be subject to the sale, issuance and delivery of the Certificates as well as the following conditions:

(a) The representations and warranties of the Corporation and the City contained in this Agreement will be true and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing as if made on the date of the Closing;

(b) As of the date of the Closing, the Official Statement may not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter;

(c) (i) As of the date of the Closing, the Corporation Resolution, the City Resolution, the Corporation Agreements and the City Agreements will be in full force and effect, and will not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, (ii) the Corporation will perform or have performed all of its obligations required under or specified in the Corporation Resolution, the Corporation Agreements and this Purchase Contract to be performed at or prior to the date of the Closing; and (iii) the City will perform or have performed all of its obligations required under or specified in the City Resolution, the City Agreements and this Purchase Contract to be performed at or prior to the date of the Closing;

(d) As of the date of the Closing, all necessary official action of the Corporation relating to the Corporation Agreements, the Corporation Resolution and the Official Statement, and all necessary official action of the City relating to the City Agreements, the City Resolution, and the Official Statement, will have been taken and will be in full force and effect and will not have been amended, modified or supplemented in any material respect, except as may have been agreed to by the Corporation, the City and the Underwriter; and

(e) As of or prior to the date of the Closing, the Underwriter will have received each of the following documents:

(1) Certified copies of the Corporation Resolution and the City Resolution.

(2) Duly executed copies of the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement, the Continuing Disclosure Agreement, and this Purchase Contract.

(3) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the Corporation and the City.

(4) An approving opinion of Special Counsel, dated as of the Closing, as to the validity of the Certificates and the exclusion of interest on the Certificates from State income taxation addressed to the Corporation and the City substantially in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter and the Trustee.

(5) A supplemental opinion of Special Counsel, addressed to the Underwriter, to the effect that:

(i) The Purchase Contract, the Lease Agreement and the Site Lease have been duly executed and delivered by the Corporation and the City, and are valid and binding upon the Corporation and the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(ii) The Assignment Agreement has been duly executed and delivered by the Corporation, and is valid and binding upon the Corporation, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(iii) The Continuing Disclosure Agreement has been duly executed and delivered by the City and is valid and binding upon the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(iv) The Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(v) The statements contained in the Official Statement on the cover and under the headings "INTRODUCTION," "THE CERTIFICATES," "PLAN OF FINANCE," "TAX MATTERS," "APPROVAL OF LEGAL PROCEEDINGS," in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS," and "APPENDIX E – FORM OF OPINION OF BOND COUNSEL," insofar as such statements purport to describe certain provisions of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease, and the Assignment Agreement, and the opinion of Special Counsel regarding the State tax-exempt nature of the Certificates, present a fair and accurate summary of the provisions thereof.

(6) An opinion of Norton Rose Fulbright US LLP, Los Angeles, California, as disclosure counsel to the Corporation and the City, addressed to the Underwriter, to the effect that: We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the Corporation and the City, we have reviewed certain documents as described above and have participated in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based on our review of documents and our participation in the above-mentioned conferences, and with the assumptions described in such opinion, we advise you that, during the course of our assistance in the preparation of the Preliminary Official Statement and the Official Statement, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such representation that caused us to believe that the Preliminary Official Statement and the Official Statement, as of their date and as of the date of this letter contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that we express no opinion or belief with respect to: (i) the expressions of opinion, the assumptions, the projections, the financial

statements or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement and the Official Statement, (ii) any CUSIP numbers or information relating thereto contained in the Preliminary Official Statement and the Official Statement, (iii) any information contained in the appendices to the Preliminary Official Statement and the Official Statement, (iv) any information with respect to DTC and its book entry system for the Certificates contained or incorporated in the Preliminary Official Statement and the Official Statement, (v) any information incorporated by reference into the Preliminary Official Statement and the Official Statement, (vi) information with respect to the rating on the Certificates and the rating agency referenced in the Preliminary Official Statement and the Official Statement) and (vii) information provided by the Underwriter with respect to the Underwriter or provided by the Municipal Advisor with respect to the Municipal Advisor.

(7) An opinion or opinions of City Attorney, dated as of the Closing addressed to the Corporation, the City, the Trustee and the Underwriter, in form and substance acceptable to the Underwriter, to the effect that:

(i) The City is a general law city that is duly organized and existing under the laws of the State. The City Council is the governing body of the City.

(ii) The City has all necessary power and authority to adopt the City Resolution, and to enter into and perform its duties under the City Agreements, and, when executed and delivered by the respective parties thereto, the City Agreements will each constitute a legal, valid and binding obligation of the City enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(iii) The City Resolution was duly adopted at a meeting of the City Council, which was called and held pursuant to law, as the application of those laws has been modified by applicable Executive Order of Governor of the State issued in response to the COVID-19 pandemic, and with all public notice required by law and at which a quorum was present and acting throughout. The City Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(iv) The execution and delivery by the City of the City Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the City is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in a manner which could materially adversely affect the City's performance under the City Agreements.

(v) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which could materially adversely affect, the performance by the City of its obligations under the City Agreements have been obtained and are in full force and effect.

(vi) To the best knowledge of the City Attorney, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the City (A) affecting the existence of the City or the titles of the members of the City Council or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Certificates, (C) in any way contesting or affecting the validity or enforceability of the City Resolution or the City Agreements, (D) in any way contesting the powers of the Trustee to execute and deliver the Certificates or the City's authority with respect to the City Resolution or the City Agreements, or (E) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(vii) The Corporation is a nonprofit public benefit corporation duly organized and in good standing under the laws of the State. The Corporation Board of Directors is the governing body of the Corporation.

(viii) The Corporation has all necessary power and authority to adopt the Corporation Resolution, and to enter into and perform its duties under the Corporation Agreements and, when executed and delivered by the respective parties thereto, the Corporation Agreements will each constitute legal, valid and binding obligation of the Corporation enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(ix) The Corporation Resolution was duly adopted at a special meeting of the Corporation's Board of Directors, which was called and held pursuant to law and with all public notice required by law, as the application of those laws has been modified by applicable Executive Order issued in response to the COVID-19 pandemic, and at which a quorum was present and acting throughout. The Corporation Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(x) To the best knowledge of Corporation Counsel, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Corporation (A) affecting the existence of the Corporation or the titles of the members of the Corporation Board of Directors or its officers to their respective offices, (B) seeking to restrain or to enjoin the execution, delivery or sale of the Certificates, (C) in any way contesting or affecting the validity or enforceability of the Corporation Resolution or the Corporation Agreements, (D) in any way contesting the powers of the Trustee to execute and deliver the Certificates or the sale of the Certificates or its authority with respect to the Corporation Resolution or the Corporation Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the Corporation with respect to the money or property pledged or to be pledged under the Trust Agreement or (F) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(xi) The execution and delivery by the Corporation of the Corporation Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the Corporation is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Corporation is a party or is otherwise subject or bound in a manner which would materially adversely affect the Corporation's performance under the Corporation Agreements.

(xii) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Corporation of its obligations under the Corporation Agreements have been obtained and are in full force and effect.

(8) A letter of Nixon Peabody LLP ("**Underwriter's Counsel**"), addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(9) An executed certificate or certificates of the Corporation and the City, dated as of the date of the Preliminary Official Statement, substantially in the form attached as Exhibit B.

(10) An executed closing certificate of the Corporation, dated as of the Closing, in the form attached as Exhibit C.

(11) An executed closing certificate of the City, dated as of the Closing, in the form attached as Exhibit D.

(12) The opinion of counsel to the Trustee, dated as of the Closing, addressed to the Corporation, the City and the Underwriter to the effect that:

(i) The Trustee is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization, and has the corporate power to execute and deliver, and to perform its obligations under, the Trust Agreement and the Assignment Agreement.

(ii) The Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement and the Assignment Agreement constitute the valid and legally binding agreements of the Trustee enforceable in accordance with their respective terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(iii) The Trustee has duly executed the Certificates.

(iv) To the best knowledge of counsel to the Trustee, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trust Agreement and the Assignment Agreement or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder.

(13) A certificate of the Trustee, dated as of the Closing, in the form attached as Exhibit E.

(14) Evidence of required filings with the California Debt and Investment Advisory Commission.

(15) A copy of the executed Blanket Issuer Letter of Representations by and between the Corporation and DTC relating to the book-entry system.

(16) Evidence that the Certificates have received the ratings described in the Official Statement.

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Special Counsel may reasonably request to evidence compliance by the Corporation and the City with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the Corporation and the City herein contained and of the Official Statement and the due performance or satisfaction by the Corporation and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the City.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract will be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Underwriter. If the Corporation and the City are unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates contained in this Purchase Contract or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates will be terminated for any reason permitted by this Purchase Contract, this Purchase Contract will terminate and neither the Underwriter, the Corporation nor the City will be under further obligations hereunder, except that the respective obligations of the Corporation, the City and the Underwriter set forth in Section 12 of this Purchase Contract will continue in full force and effect.

Section 9. Conditions to Corporation's and City's Obligations. The performance by the Corporation and the City of their respective obligations under this Purchase Contract are conditioned upon: (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Corporation and the City of opinions addressed to the Corporation and the City, and receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the Corporation and the City.

Section 10. Reserved.

Section 11. Termination Events. The Underwriter will have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Certificates by notifying the Corporation and the City of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(a) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the

State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the Corporation or the City, its property or income or the Certificates;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs or escalates, or a local, national or international calamity or crisis occurs or escalates, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Certificates;

(c) there occurs a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the execution, delivery, offering or sale of the Certificates is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the obligations of the general character of the Certificates, including the Certificates, are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Certificates, or the market price generally of obligations of the general character of the Certificates, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Certificates or obligations of the general character of the Certificates, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of, the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the Corporation and the City, materially adversely affects the market price of the Certificates;

(j) any federal or California court, authority or regulatory body takes action materially and adversely affecting the payment or receipt of the principal and interest on the Certificates;

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Corporation or the City by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Certificates;

(l) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the City or the Corporation refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates;

(m) additional material restrictions that are not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Certificates; or

(n) the commencement of any action, suit or proceeding that is described in Section 5(e) and 6(e).

Section 12. Payment of Expenses. (a) The Underwriter will be under no obligation to pay, and the Corporation and/or the City will pay the following expenses incident to the performance of the Corporation's and the City's obligations hereunder:

(i) the fees and disbursements of the Corporation's and City's municipal advisor and of Special Counsel and Disclosure Counsel;

(ii) the cost of printing and delivering the Certificates, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Sections 5 and 6 of this Purchase Contract);

(iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Corporation or the City; and

(iv) any other expenses and costs of the Corporation and the City incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Certificates, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The City and the Corporation will be under no obligation to pay, and the Underwriter will pay, any fees of the California Debt and Investment Advisory Commission, the cost of obtaining CUSIP numbers, the cost of preparation of any "blue sky" or legal investment memoranda and this Purchase Contract; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Certificates (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of Underwriter's Counsel, meals, transportation and lodging (but not entertainment expenses), and any advertising expenses in connection with the public offering of the Certificates.

The City and the Corporation acknowledge that the Underwriter will pay from the underwriter's expense allocation of the underwriter's discount certain fees, including the applicable per bond assessment charged by the California Debt and Investment Advisory Commission.

Section 13. Notices. Any notice or other communication to be given to the Corporation or the City under this Purchase Contract may be given by delivering the same in writing to the Corporation and the City at the addresses set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Hilltop Securities Inc., 2533 South Coast Highway 101, Suite 250, Cardiff, California 92007, Attention: Todd Smith.

Section 14. Survival of Representations, Warranties, Agreements. All of the Corporation's and the City's representations, warranties and agreements contained in this Purchase Contract will remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Certificates pursuant to this Purchase Contract. The agreements contained in this Section and in Section 12 will survive any termination of this Purchase Contract.

Section 15. Benefit; No Assignment. This Purchase Contract is made solely for the benefit of the Corporation, the City and the Underwriter (including its successors and assigns), and no other person will acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Contract are not subject to assignment by the Underwriter, the Corporation or the City without the prior written consent of the other parties hereto.

Section 16. Severability. In the event that any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 17. Counterparts; Electronic Signatures and Electronic Records. This Purchase Contract may be executed in several counterparts, including counterparts that are manually executed and counterparts that executed with an electronic signature, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. The person associated with any such signature shall be deemed to have had the intent to sign this Purchase Contract with an electronic signature and that agrees that execution of this Purchase Contract by electronic signature is attributable to such person. All parties executing this Purchase Contract expressly agree under the California Uniform Electronic Transactions Act ("UETA") (California Civil Code §1633.1 et seq.), that this Agreement and all other agreements, certificates, opinions and similar records ("documents") relating to the Certificates constitute a "transaction" under the UETA and expressly agree to allow all aspects of the transaction to which the UETA can apply to be conducted by electronic means. For these purposes, a signature by fax, e-mail, or other electronic technology on a document relating to the Certificates shall constitute an "electronic signature" to an "electronic record" under the UETA with respect to this specific transaction.

An electronic signature means a signature that is executed by symbol attached to or logically associated with a record and includes facsimile signatures or signatures transmitted by electronic mail in so-called PDF format. All parties to this Purchase Contract (a) agree that an electronic signature, whether digital or encrypted, of a party to this Purchase Contract or any other electronic record associated with the Certificates is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document relating to the Certificates sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Purchase Contract or any other document related to the Certificates based on the foregoing forms of signature.

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Section 18. Governing Law. This Purchase Contract will be governed by the laws of the State.

Section 19. Effectiveness. This Purchase Contract will become effective upon the execution of the acceptance hereof by an authorized officer of the Corporation and the City, and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

HILLTOP SECURITIES INC., as Underwriter

By: ___________________________________
Authorized Officer

Accepted:

PUBLIC PROPERTY FINANCING CORPORATION

By:___________________________________
Authorized Representative

Time of Execution: ________________ California Time

CITY OF LA PUENTE

By: ___________________________________
Authorized Representative

Time of Execution: ________________ California Time

EXHIBIT A

MATURITY SCHEDULE

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price

REDEMPTION*

4810-9009-4795.1

EXHIBIT B

CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION, 2020 SERIES A
(FEDERALLY TAXABLE)
15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of City of La Puente (the "City") and the Public Property Financing Corporation (the "Corporation"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City and the Corporation as follows:

(1) This Certificate is delivered in connection with the offering and sale of the Certificates captioned above (the "Certificates") in order to enable the underwriter of the Certificates to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

(2) In connection with the offering and sale of the Certificates, there has been prepared a Preliminary Official Statement, setting forth information concerning the Certificates, the Corporation and the City (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Certificates depending on such matters, all with respect to the Certificates.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12, and the information therein is accurate and complete except for the Permitted Omissions.

Dated:

CITY OF LA PUENTE

By:______________________________
Authorized Officer

PUBLIC PROPERTY FINANCING CORPORATION

By:______________________________
Authorized Officer

EXHIBIT C

$______
CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION, 2020 SERIES A
(FEDERALLY TAXABLE)

CLOSING CERTIFICATE OF THE CORPORATION

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the Public Property Financing Corporation (the "Corporation"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Corporation as follows:

(i) The representations, warranties and covenants of the Corporation contained in the Purchase Contract dated ___________, 2020, among the Corporation, the City of La Puente and Hilltop Securities Inc., as underwriter (the "Purchase Contract"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The Corporation Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The Corporation has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Corporation, whether or not arising in the ordinary course of the operations of the Corporation, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Contract and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Certificates or provided by the Underwriter with respect to the Underwriter or provided by the Municipal Advisor with respect to the Municipal Advisor) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Purchase Contract.

Dated:

PUBLIC PROPERTY FINANCING CORPORATION

By: ______________________________
Authorized Officer

EXHIBIT D

$______
CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION, 2020 SERIES A
(FEDERALLY TAXABLE)

CLOSING CERTIFICATE OF THE CITY

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of La Puente (the "City"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City contained in the Purchase Contract dated ___________, 2020, among the City, the Public Property Financing Corporation and Hilltop Securities Inc., as underwriter (the "Purchase Contract"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the City, whether or not arising in the ordinary course of operations, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Contract and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Certificates or provided by the Underwriter with respect to the Underwriter or provided by the Municipal Advisor with respect to the Municipal Advisor) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Purchase Contract.

Dated:

CITY OF LA PUENTE

By:_____________________________
Authorized Officer

EXHIBIT E

$______
CITY OF LA PUENTE
CERTIFICATES OF PARTICIPATION, 2020 SERIES A
(FEDERALLY TAXABLE)

CLOSING CERTIFICATE OF TRUSTEE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of U.S. Bank National Association (the "Trustee"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Trustee as follows:

(i) the Trustee has all necessary power to enter into the following documents (the "Trustee Documents"): (i) a Trust Agreement, dated as of October 1, 2020 (the "Trust Agreement"), by and among the Public Property Financing Corporation (the "Corporation"), the City of La Puente and the Trustee; and (ii) Assignment Agreement dated as of October 1, 2020 (the "Assignment Agreement"), between the Corporation and the Trustee;

(ii) The Trustee Documents have been duly authorized, executed and delivered by the Trustee, and the Trustee Documents each constitute the legal, valid and binding obligation the Trustee enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents;

(iv) The execution and delivery by the Trustee of the Trustee Documents and compliance with the terms of the Trustee Documents will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations);

(v) To the best knowledge of the Trustee, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder; and

(vi) the Trustee has duly executed the Certificates**.**

Capitalized terms used but not defined herein have the meanings given in the Purchase Contract dated ___________, 2020, among the City, the Corporation and Hilltop Securities Inc., as underwriter.

Dated:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:______________________________
Authorized Officer

CITY OF LA PUENTE
ADMINISTRATIVE POLICY

POLICY #: **ISSUED:** October 13, 2020 **EFFECTIVE:** October 13, 2020 **CANCELLATION DATE:** **RESCINDS: N/A**	SUBJECT: **PENSION AND OPEB FUNDING POLICY**

PURPOSE:

The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also:

- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Create sustainable and affordable budgets for pensions;
- Reassures bond rating agencies; and
- Show employees and the public how pensions will be funded.

BACKGROUND:

Pensions. The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan.

All full-time and certain part-time City employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the City will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

Pension Benefits Provided:

	Miscellaneous	Misc. PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Last 12 Mos. Of Service	Last 36 Mos. Of Service

Pension Funding: A Guide for Elected Officials, issued by eleven national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

- Actuarially Determined Contributions. A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.

- Funding Discipline. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.

- Intergenerational equity. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.

- Contributions as a stable percentage of payroll. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.

- Accountability and transparency. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

OPEB. The City has established the La Puente Retiree Healthcare Plan (LPRHCP), and participates in an agent multiple-employer defined benefit retiree healthcare plan.

Under the LPRHCP, retirees are eligible for benefits as follows:

Benefit types provided	Medical, dental, vision
Duration of Benefits	Lifetime
Required Service	10 years*
Minimum Age	50
Dependent Coverage	Yes
City Contribution	50% of employer contribution at 10 years of service for medical plus 5% per additional year to 100% at 20 or more years of service

City Cap	$2,000 per year in dental and vision Expenses

*Those hired prior to 8/1/08 require only CalPERS retirement to receive 100% of employer contribution.

The City has created an OPEB trust account with the California Public Employers' Retiree Benefit Trust (CERBT) to prefund for OPEB costs.

FUNDING POLICY:

A. Actuarially Determined Contributions (ADC)

Pensions. CalPERS actuaries will determine the City's pension ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost is calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The City will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

OPEB. ~~The City's current OPEB actuary (as of 2020) is Total Compensation Systems.~~ The City will review the annual OPEB actuarial valuations in a similar manner to pension actuarial studies. The City has discretion regarding some factors in calculating the actuarially determined contribution for OPEB, and discretion regarding whether to make contributions of exactly the ADC, or more or less than that amount.

B. Lump Sum Payments for Pension in July

As part of the annual budget process, City staff will make a recommendation regarding paying the entire fiscal year's contributions for any unfunded liabilities during July and receiving a discount instead of making monthly payments. As long as the City has sufficient reserves, it is anticipated that staff would recommend the lump sum payment.

C. OPEB Payments. As of the date of this policy, payments for insurance, claims and services for retiree health benefits are made throughout the year.

Prefunding payments to the OPEB Trust (CERBT) are typically made in May of each year. In contrast to pensions with CalPERS, there is no requirement to make any particular minimum contribution to the OPEB Trust. OPEB Trust withdrawals to pay applicable benefits can be authorized by City Council and implemented by City staff. As of the date of the policy, there have been no withdrawals from the OPEB Trust.

D. Additional Discretionary Payment (ADP) Contributions

The City may consider making ADP contributions using any of the following to contribute toward pension or OPEB:

- One-time General Fund resources
- End of year balances which exceed the City's minimum 25% of budgeted expenditures as stated in the Reserve Policy
- Revenues above budgeted amounts
- Expenses below budgeted amounts
- Bond proceeds designated for pension and/or OPEB

E. Bonds to Fund Pensions and/or OPEB

The City will consider bonds to fund pensions and/or OPEB if:

- Such bonds have expected savings using borrowing costs and CalPERS' discount rate for pensions, or the actuarially assumed rate for OPEB (as of October 2020, both rates are 7.0%);

- At the time of issuance, any future pension bond proceeds plus existing assets at CalPERS and at the City's pension stabilization trust cannot exceed pension liabilities. Because CalPERS tracks pension unfunded liabilities in a number of different parts (referred to as "amortization bases"), CalPERS will be asked to provide an estimate of remaining unfunded liabilities for each amortization base as of an expected bond closing date. The City will choose which base(s) to apply bond proceeds to in order to achieve City goals.

- At the time of issuance, OPEB bond proceeds plus existing assets at the OPEB trust cannot exceed OPEB liabilities.

The City and its advisors will discuss and consider the risks of any potential pension obligation bonds.

Any pension obligation bonds, or refundings of pension obligation bonds, must be voted upon by the City Council.

Actuaries for pension and/or OPEB may be consulted regarding the estimated effects of any pension bonds on future contributions, and any applicable changes to the current budget year.

F. Potential Pension Stabilization Trust

The City may form a Pension Stabilization Trust (typically a Section 115 trust). Any such trust must be approved by the City Council. City staff will develop a contribution and withdrawal policy to submit to City Council before any money is contributed to the trust.

G. Contributions as a Manageable Budget Expense.

The City will always make its required annual pension contributions to CalPERS. Contributions should be stable and a manageable portion of revenue. The City may:

- Make additional discretionary contributions directly to CalPERS or to the OPEB;
- Make discretionary contributions to a pension stabilization trust;
- Make discretionary withdrawals from a pension stabilization trust to make payments to CalPERS;
- Make discretionary withdrawals from the OPEB Trust, and
- Issue, call, or refund pension obligation bonds.

H. Transparency and Reporting

Funding of the City's pension and OPEB plans should be transparent to vested parties including plan participants, annuitants, the City Council, and residents. In order to achieve this transparency, the following information shall be available:

- Copies of the annual actuarial valuations for the City's CalPERS pension plans and OPEB plan shall be made available to the City Council.
- The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's annual contributions to the pension systems and their funded status.
- The City's annual operating budget shall include the City's contributions to CalPERS, its payments for current year OPEB costs, and any contributions to the OPEB trust.

I. Review of Funding Policy

Funding a defined benefit pension or OPEB plan requires a long-term horizon. As such, the City will review this policy at least every two years to determine if changes to this policy are needed to ensure adequate resources are being accumulated.

September 28, 2020

Bob Lindsey
City Manager
City of La Puente
15900 E. Main Street
La Puente, CA 91744-4719

RE: La Puente Taxable Certificates of Participation 2020 Series A

Dear Bob:

Willdan Financial Services ("Municipal Advisor") appreciates the opportunity to serve as municipal advisor to City of La Puente ("Issuer") related to the financing of its La Puente Taxable Certificates of Participation 2020 Series A (the "Bonds"). Upon your acceptance, this updated engagement letter and disclosure (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor, effective on the date this Agreement is executed by Issuer (the "Effective Date").

1. <u>Scope of Services</u>.

(a) *Services to be provided*. Municipal Advisor is engaged by Issuer as its municipal advisor to provide the services with respect to the issuance of municipal securities ("securities") set forth below (the "Scope of Services"):

1. With the assistance of Issuer's investment banker and bond counsel, review proposed financing structures, the general practical requirements or restrictions that are applicable in light of legal restrictions identified by legal counsel and related estimated costs;
2. Review available reports provided by consultants which may have a general bearing on the financing program and conduct periodic reviews and progress updates with the Issuer and the working group as needed;
3. Consult with Issuer and other financing team participants regarding the financing, including coordinating the preparation of financing calendars, rating agency presentation and documentation, bond insurer presentation and information, and timetable which coordinates the responsibilities of all related parties where applicable;
4. Assist Issuer with procurement process of transaction participants at Issuer's request/direction;
5. Consult with any firm selected by Issuer (at its own cost) to prepare a financial feasibility study on all matters relating to financing program if applicable;
6. Review recommendations provided by underwriter/placement agent as to conditions under which securities are to be issued and sold, including timing, method of sale, final amortization or repayment schedules, call and redemption features, provisions governing the issuance of additional securities, covenants, and other provisions in order to meet the Issuer's goals and priorities;

7. Julie Ann Anopol is the Municipal Advisor assigned to this account.
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(b) *Limitations on Scope of Services.* The Scope of Services is subject to the following limitations:

(i) The Scope of Services is limited solely to the services described therein and is subject to any limitations set forth within the description of the Scope of Services.

(ii) Unless otherwise provided in the Scope of Services described herein, Municipal Advisor is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents.

(iii) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue or Product or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.

(iv) If Issuer has designated Municipal Advisor as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to Municipal Advisor's activities as IRMA as may be provided in the Scope of Services described herein. Municipal Advisor is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to Municipal Advisor, its personnel and its role as IRMA in the written representation of Issuer contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Municipal Advisor, and Issuer agrees not to represent, publicly or to any specific person, that Municipal Advisor is Issuer's IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Municipal Advisor's prior written consent.

(c) *Amendment to Scope of Services.* The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

2. <u>Municipal Advisor's Regulatory Duties When Servicing Issuer</u>. MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to Issuer's determination whether to proceed with a course of action or that form the basis for and advice provided by Municipal Advisor to Issuer. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on Issuer's behalf.

Issuer agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, Issuer agrees that, to the extent Issuer seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, Issuer will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. **Term of this Engagement.** The term of this Agreement begins on the Effective Date and ends upon the closing of the contemplated issuance of securities. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. Upon completion of this engagement, Municipal Advisor will have no further responsibilities to Issuer as it relates to this engagement, unless otherwise agreed to under separate contract.

4. **Compensation.**

(a) ***Fees and expenses*****.** For those services rendered in connection with the sale of any securities, the Municipal Advisor will be compensated by a fee of $35,000 and paid out of issuance costs as outlined in the Sources and Uses. Such sum shall be payable upon the delivery of the securities, payable from securities' proceeds.

Municipal Advisor shall, from the fee, bear all out-of-pocket costs and expenses, including without limitation, travel, telephone, computer, mailing, etc. incurred by the Municipal Advisor in performing the Municipal Advisor's duties and obligations, unless the incurring of such costs and expenses is specifically authorized in writing by Issuer.

(b) ***Limitation of liability*****.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to Issuer for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from Issuer's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to Issuer. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect, or consequential) of Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue and/or Product or otherwise relating to the tax treatment of any Issue or Product, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Issuer of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to Issuer (if applicable) under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

5. **<u>Conflicts of Interest and other required Disclosures</u>. MSRB Rule G-42** requires that a Municipal Advisor provide its Issuers with disclosures of material conflicts of interest and information regarding certain legal events and disciplinary history.

- **Compensation Conflicts of Interest**
  - Under the terms of this engagement, Willdan Financial Services expects to be paid a fixed fee that will be contingent on the closing of a transaction. These forms of compensation are customary in the municipal securities market; however, each presents a potential conflict of interest as follows:
    - *Fixed Fee:* a conflict of interest may arise because if the transaction requires more work than originally contemplated, Municipal Advisor may suffer a loss. Thus, Municipal Advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives;
    - *Contingent fee:* under a contingent fee arrangement, the Municipal Advisor may recommend unnecessary financings or may recommend closing a financing that is disadvantageous to the Issuer for purposes of receiving compensation.

- **Other conflicts / disclosures:**
  - Willdan Financial Services, currently provides District Administration services, Arbitrage Report services, and Continuing Disclosure services for the City of La Puente. There are not any fee sharing or referral fees paid to the Municipal Advisor in connection with the affiliated services.
  - Willdan Engineering, a separate division of Willdan Financial Services, also provides Building & Safety services; traffic engineering, signal and safety, design services at Amar Road and Willow Avenue; landscape improvement on Elliot Avenue; assistance with CalRecycle Grant; on-call Public Works plan check and permit inspection; assistance with Highway Safety Improvement Program; on-call landscape and irrigation plan checking; on-call planning services; improvements on Elliot Avenue and Amar Road; street improvements for Hacienda Boulevard; Sewer and Park Improvements for La Puente Park; geotechnical investigation services for La Puente park; sanitary sewer improvements and pavement resurfacing for Valley Boulevard and La Puente park; skatepark and basketball court construction; other various street improvements for the City of La Puente (Issuer). These services involve evaluating and recommending implementation of traffic control devices such as speed humps, stop

signs, flashing beacons, crosswalks, and traffic signals. The Issuer acknowledges that Willdan Engineering is under common ownership with Willdan Financial Services by Willdan Group Inc. There are not any fee sharing or referral fees paid to the Municipal Advisor by Willdan Engineering in connection with the affiliated services; however, certain amount of the proceeds of the Bonds will be used to pay for projects for which Willdan Engineering is or will be providing services.

- Norton Rose Fulbright US LLP currently provides legal counsel to Willdan Financial Services regarding compliance guidelines and regulatory procedures, when and if requested, but is not engaged to represent Willdan Financial Services on individual transactions. Norton Rose Fulbright US LLP is also serving as Bond Counsel and Disclosure Counsel to the Issuer on the La Puente Certificates of Participation 2020 Series A.

- **Regulatory Disclosures:** The Municipal Advisor will mitigate these conflicts by adherence to fiduciary duty which it owes to municipal entities such as the Issuer pursuant to Section 15B of the Securities and Exchange Act of 1934 and by Rule G-42 of the Municipal Securities Rulemaking Board which requires it to put the interests of the Issuer ahead of its own interests.

  Willdan 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 MSRB has made available on its website (www.msrb.org) a municipal advisory Issuer brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan 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 Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Issuer's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission 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 Willdan Financial Services or for our CIK number which is 0001782739.

6. **Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

7. **Authority.** The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of Issuer. The following individuals have the authority to direct Municipal Advisor's performance of its activities under this Agreement:

Bob Lindsey, City Manager
Mark Risco, President, Chief Compliance Officer and CEO

8. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

ACCEPTED AND AGREED:

City of La Puente

By: ______________________________

Name: ______Bob Lindsey______________

Title: _______City Manager____________

Date: ______________________________

Willdan Financial Services

By: ______________________________

Name: ______Mark Risco_______________

Title: _______President & CEO__________

Date: _______September 28, 2020_______

CITY OF LA PUENTE

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of September 22, 2020, between the City of La Puente, a municipal corporation ("City") and Norton Rose Fulbright US LLP ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks herein are completed, but in no event later than December 31, 2020 unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of care normally observed by an entity providing legal services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq*.)). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

The City Manager, or his designee, shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant in accordance with the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full. This amount shall not exceed $92,000 for fees and $1,300 for expenses during the total Term of the Agreement unless additional payment is approved as provided in this Agreement. Fees set forth in Exhibit B shall be fully contingent upon the sale and closing of the certificates of participation for which Consultant has been retained.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment; provided that the City shall not have the right to review or audit or obtain any records or data or information of or about other clients of Consultant.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant; provided that Consultant shall have the right to retain copies of all such materials and to use such copies for training purposes and as forms or reference material in connection with representing other clients, without attribution to the City. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City; provided that Consultant shall have the right to retain copies of all such materials and to use such copies for training purposes and as forms or reference material in connection with representing other clients, without attribution to the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are attributable to the negligent or wrongful act or omission of Consultant in connection with the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) Duty to Defend

In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. <u>INSURANCE</u>

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverages generally of the type as specified in Exhibit C attached hereto and incorporated herein by reference.

9. <u>INDEPENDENT CONSULTANT</u>

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City.

City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

If to City:

Bob Lindsey, City Manager
City of La Puente
15900 E. Main Street
La Puente, CA 91744
Tel: (626) 855-1501

With a copy to:

James M. Casso, City Attorney
Casso & Sparks
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746
Tel: (626) 269-2980

If to Consultant:

Russ Trice | Partner
Norton Rose Fulbright US LLP
555 South Flower Street, Forty-First Floor, Los Angeles, California 90071
Tel +1 213 892 9317 | Fax +1 213 892 9494
russ.trice@nortonrosefulbright.com

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

The Consultant shall have the duty to exercise reasonable care in selecting any subconsultants (unless the City dictates the choice of a subconsultant) and, if applicable, in supervising their performance, but the Consultant shall not be liable for the acts or omissions of such subconsultants..

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or

Consultant unless in writing.

22. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

(Signatures on following page)

23. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

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

"CITY"
City of La Puente

By:________________________________
Bob Lindsey, City Manager

"CONSULTANT"
Norton Rose Fulbright, LLC

By: Russell C. Trice
Russell C. Trice, Partner

Attest:

By:______________________________
Sheryl Garcia, City Clerk

Approved as to form:

By:_________________________________
James M. Casso, City Attorney

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

For: financing all or a portion of the City's outstanding pension and/or OPEB liabilities by causing the execution and delivery of City of La Puente Certificates of Participation, 2020 Series A (Federally Taxable) by a nonprofit public benefit corporation.

As bond counsel, the Firm will assist in developing the structure of the financing and provide customary bond counsel services necessary to enable the City to cause the execution and delivery of the certificates of participation. The Firm will also be available to discuss and comment upon any aspect of the transaction related to its role as bond counsel, including any issues concerning the rating agencies or any other participant to the transaction. We will prepare or review all documents of the City necessary for the closing and delivery of the certificates of participation to the underwriter. The Firm will also prepare or review the various closing certificates and opinions required of the trustee and other interested parties. We will deliver among other opinions, an approving opinion with respect to the validity and enforceability of the financing documents.

As disclosure counsel, we will draft the preliminary official statement, the final official statement, to be used in connection with the offering of the certificates of participation, including the summaries of the basic financing documents for inclusion therein. We will also draft the continuing disclosure agreement. We will render a standard disclosure counsel opinion to the City and the underwriter providing negative assurance with respect to the official statement.

EXHIBIT B

RATE SCHEDULE

Fixed Bond Counsel fee of $53,000.

Fixed Disclosure Counsel fee of $39,000.

Fixed expenses of $1,300.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts appropriate to the services being rendered by the Consultant.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000.00 per occurrence, $2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000.00).

Proof of insurance. Consultant shall provide evidence of insurance to City for professional services within thirty (30) days of the effectiveness hereof.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant, excluding professional liability insurance. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City, excluding professional liability insurance.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability, excluding professional liability insurance. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage so that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the

Consultant, the City and Consultant may renegotiate Consultant’s compensation, or the Consultant may elect to terminate this Agreement by giving notice of termination within such ninety (90) day notice period.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant’s performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

HilltopSecurities
A Hilltop Holdings Company.

September 30, 2020

Troy Grunklee
Administrative Services Director
La Puente Public Finance Authority
15900 Main Street
La Puente, CA 91744

Re: Underwriter Engagement Letter – 2020 Certificates of Participation

Dear Mr. Grunklee;

On behalf of Hilltop Securities Inc. ("we" or "HilltopSecurities"), we wish to thank you for the opportunity to serve as underwriter for the planned financing (the "Securities"), in connection with proposed issuance of the 2020 Certificates of Participation. This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a certificate purchase agreement to be entered into by the parties (the "Purchase Agreement") if and when the Securities are priced following the successful completion of the offering process.

1. Services to be provided by HilltopSecurities. The La Puente Public Finance Authority ("the "Issuer") hereby engages HilltopSecurities to serve as the sole managing underwriter of the proposed offering and issuance of the Securities, and in such capacity HilltopSecurities agrees to provide customary underwriting services, including but not limited to:

a. Review and evaluate of the proposed terms of the offering and the Securities

b. Coordinate with the Issuer for the offering of the Securities

c. Develop a marketing plan for the offering, including identification of potential investors

d. Assist in the preparation of offering documents

e. Contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate due diligence sessions

f. Consult with Bond Counsel and other service providers about the offering and the terms of the Securities

g. Relay information regarding the offering process to the Issuer

Hilltop Securities Inc.
2533 S. Coast Highway 101
Suite 250
Cardiff-by-the-Sea, California 92007

Phone: 760.632.1347
Todd.Smith@hilltopsecurities.com
HilltopSecurities.com

h. Negotiate the pricing, including the interest rate, and other terms of the Securities

i. Manage the rating and credit enhancement process for the Securities

j. Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility

k. Plan and arrange for the closing and settlement of the issuance and the delivery of securities

l. Such other usual and customary underwriting services as may be requested

As an underwriter, HilltopSecurities will not be required to purchase the Securities except pursuant to the terms of the certificate purchase agreement, which will not be signed until successful completion of the pre-sale offering period. This letter does not obligate HilltopSecurities to purchase any of the Securities. Any commitment to purchase Securities is subject to future credit, legal and business approvals by HilltopSecurities.

2. No Advisory or Fiduciary Role. Issuer acknowledges and agrees that: (i) the primary role of HilltopSecurities, as an underwriter, is to purchase Securities for resale to investors in an arm's length commercial transaction between the Issuer, and HilltopSecurities and that HilltopSecurities has financial and other interests that may differ from those of the Issuer; (ii) HilltopSecurities is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether HilltopSecurities has provided other services or is currently providing other services to the Issuer on other matters): (iii) the only obligation HilltopSecurities has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the Issuer has consulted or will consult its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

3. Fees and Expenses. HilltopSecurities' underwriting fee/spread will not exceed .75% of the principal amount of the Securities issued. The underwriting fee/spread will represent the difference between the price that HilltopSecurities pays for the Securities and the public offering price stated on the cover of the final offering document. The Issuer will be responsible for paying all other costs of issuance, including without limitation, bond counsel, underwriter's counsel, rating agency, and all other expenses incident to the

Hilltop Securities Inc.
2533 S. Coast Highway 101
Suite 250
Cardiff-by-the-Sea, California 92007

Phone: 760.632.1347
Todd.Smith@hilltopsecurities.com
HilltopSecurities.com

performance of the Issuer's obligations under the proposed offering. Issuer further acknowledges it is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities. Issuer expects that HilltopSecurities will provide advice on the structure, timing, terms, and other matters concerning the Securities.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate HilltopSecurities' engagement at any time upon at least 30 days' prior written notice to the other party.

5. 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. This Agreement may be executed in counterparts.

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 us.

[The remainder of the page intentionally left blank]

Hilltop Securities Inc.
2533 S. Coast Highway 101
Suite 250
Cardiff-by-the-Sea, California 92007

Phone: 760.632.1347
Todd.Smith@hilltopsecurities.com
HilltopSecurities.com

Very truly yours,

Hilltop Securities Inc.

By: ______________________

Managing Director

This Letter and Agreement is hereby accepted for and on behalf of Issuer on this ____ day of October, 2020.

By: ______________________

Title: ______________________

[Signature Page to Underwriting Engagement Letter – La Puente 2020 Certificates of Participation]

RESOLUTION NO. 20-5585

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PUENTE ALLOWING CERTAIN CLAIMS AND DEMANDS IN THE AMOUNT 2,313,524.97 (WARRANT REGISTER 1497)

THE CITY COUNCIL OF THE CITY OF LA PUENTE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: That in accordance with Section 37202 of the Government Code, the Director of Administrative Services, or designated representative, hereby certifies, and the City Manager hereby approves the accuracy of the following demands and the availability of funds for payment thereof.

APPROVED	EXAMINED
______________________________	______________________________
Bob Lindsey, City Manager	Troy Grunklee, CPA Director of Administrative Services

SECTION 2: That the following claims and demands numbered 4164 through 4169 and 4213 through 4349 ACH(s) numbered 188 and Draft numbered 00980 through 01013 have been audited as required by law and the same are hereby allowed in the amounts hereinafter set forth on the attached check registers.

CERTIFIED, PURSUANT TO GOVERNMENT CODE, SECTION 37208, AS CONFORMING TO ADOPTED BUDGET, EXCEPT WARRANT NOS: NONE

____
Sheryl Garcia, City Clerk

PASSED, APPROVED AND ADOPTED this 13th day of October 2020, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

____
Charlie Klinakis, Mayor

ATTEST:

____
Sheryl Garcia, City Clerk

Check Register Report

By Payment Number

Payment Dates 9/14/2020 - 10/2/2020

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
188	9/25/2020	TANKO	TANKO LIGHTING		45,160.18
	63217	07/20 STREET LIGHT MTCE SVC		285-3330-53111	45,160.18
4164	9/16/2020	STADIS	CALIFORNIA STATE DISBURSEMENT UNIT		594.66
	INV0004821	CHILD SUPPORT		100-20399	54.06
	INV0004821	CHILD SUPPORT		260-20399	540.60
4165	9/16/2020	SEIUCO	COPE FUND		10.00
	INV0004765	COPE FUND CONTRIBUTION		100-20380	2.80
	INV0004765	COPE FUND CONTRIBUTION		260-20380	2.20
	INV0004831	COPE FUND CONTRIBUTION		100-20380	2.62
	INV0004831	COPE FUND CONTRIBUTION		260-20380	2.38
4166	9/16/2020	NATRS	NATIONWIDE RETIREMENT		120.00
	INV0004824	Employee Contribution		100-20340	111.94
	INV0004824	Employee Contribution		200-20340	1.15
	INV0004824	Employee Contribution		203-20340	1.15
	INV0004824	Employee Contribution		205-20340	1.15
	INV0004824	Employee Contribution		210-20340	1.15
	INV0004824	Employee Contribution		215-20340	1.15
	INV0004824	Employee Contribution		285-20340	2.31
4167	9/16/2020	SEIU	SEIU - LOCAL 721		827.00
	INV0004764	EMPLOYEE DUES		100-20380	288.80
	INV0004764	EMPLOYEE DUES		200-20380	30.31
	INV0004764	EMPLOYEE DUES		203-20380	3.51
	INV0004764	EMPLOYEE DUES		205-20380	1.88
	INV0004764	EMPLOYEE DUES		210-20380	22.10
	INV0004764	EMPLOYEE DUES		215-20380	3.27
	INV0004764	EMPLOYEE DUES		260-20380	18.90
	INV0004764	EMPLOYEE DUES		261-20380	4.59
	INV0004764	EMPLOYEE DUES		285-20380	40.14
	INV0004830	EMPLOYEE DUES		100-20380	253.47
	INV0004830	EMPLOYEE DUES		200-20380	19.54
	INV0004830	EMPLOYEE DUES		203-20380	13.39
	INV0004830	EMPLOYEE DUES		205-20380	8.46
	INV0004830	EMPLOYEE DUES		210-20380	29.18
	INV0004830	EMPLOYEE DUES		215-20380	2.26
	INV0004830	EMPLOYEE DUES		260-20380	21.20
	INV0004830	EMPLOYEE DUES		261-20380	6.39
	INV0004830	EMPLOYEE DUES		285-20380	59.61
4168	9/16/2020	USBANK	U.S BANK PARS ACCT# 6746022400		2,587.06
	INV0004828	PARS RETIREMENT		100-20340	1,670.91
	INV0004828	PARS RETIREMENT		200-20340	180.03
	INV0004828	PARS RETIREMENT		203-20340	63.54
	INV0004828	PARS RETIREMENT		260-20340	537.86
	INV0004828	PARS RETIREMENT		285-20340	134.72
4169	9/16/2020	ICMARC	VANTAGEPOINT TRANSFER AGENTS-457		1,394.67
	INV0004822	EMPLOYEE LOAN REPYMT		100-20399	48.32
	INV0004822	EMPLOYEE LOAN REPYMT		210-20399	29.16
	INV0004822	EMPLOYEE LOAN REPYMT		261-20399	17.19
	INV0004823	EMPLOYEE CONTRIBUTIONS		100-20399	670.25
	INV0004823	EMPLOYEE CONTRIBUTIONS		200-20399	160.33

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	INV0004823	EMPLOYEE CONTRIBUTIONS		203-20399	82.59
	INV0004823	EMPLOYEE CONTRIBUTIONS		205-20399	76.08
	INV0004823	EMPLOYEE CONTRIBUTIONS		210-20399	87.89
	INV0004823	EMPLOYEE CONTRIBUTIONS		215-20399	95.33
	INV0004823	EMPLOYEE CONTRIBUTIONS		260-20399	48.57
	INV0004823	EMPLOYEE CONTRIBUTIONS		261-20399	9.09
	INV0004823	EMPLOYEE CONTRIBUTIONS		285-20399	69.87
4213	9/14/2020	HARHAR	HARDY & HARPER, INC.		481,261.70
	2	LOCAL STREETS IMPROV-RETENTION		202-20220	-15,663.91
	2	LOCAL STREETS IMPROV PYMT#2		202-5510-59300	306,925.61
	2	LOCAL STREETS IMPROV-RETENTION		205-20220	-10,000.00
	2	LOCAL STREETS IMPROV PYMT#2		205-5510-59300	200,000.00
4214	9/14/2020	TUST	TURF STAR, INC.		77,103.11
	33001111-00	PROCORE 1298		555-3150-54484	37,213.41
	3301113-00	LELY SPREADER		555-3150-54484	6,567.59
	3302099-00	SAND PRO 3040		555-3150-54484	33,322.11
4215	9/18/2020	90SBAR	90'S BARBER SHOP		2,500.00
	INV0004851	CDBG-CV BUSINESS ASST GRANT PRG #2020-14		261-3320-53981	2,500.00
4216	9/18/2020	ALEXSAUTO	ALEX'S AUTO GLASS		80.00
	4823	REMOVAL OF CITY LOGO - PRIUS		555-3150-53812	80.00
4217	9/18/2020	DELALMA	ALMA DELIAS CATERING FOOD SERVICES		2,500.00
	INV0004859	CDBG-CV BUSINESS ASST GRANT PRG #2020-9		261-3320-53981	2,500.00
4218	9/18/2020	AMABUS	AMAZON CAPITAL SERVICES INC		1,444.10
	13X6-HL4R-QTN6	INTERNET CABLE FOR COUNCIL CHAMBERS		275-1125-53998	393.13
	13X6-HL4R-QTN6	INTERNET CABLE FOR COUNCIL CHAMBERS		275-1125-53998	-269.45
	16C3-49LT-VYWM	PRINTER INK		550-6100-53018	303.24
	1GMM-CVCJ-3J3X	COLOR INK FOR COUNCIL CHAMBERS		275-1125-53998	471.90
	1GRL-PVYL-JVPQ	MASKS & HAND SANITIZING WIPES		100-1150-53011	329.80
	1HJT-PX71-FWXV	EXTERNAL DEVICE FOR COUNCIL CHAMBERS		275-1125-53998	54.99
	1K6D-LH1C-GPWY	CHAIR COVERS FOR COUNCIL CHAMBERS		275-1125-53998	28.59
	1MTW-YV1X-JF4T	INK FOR RECEIPT PRINTERS		100-1130-53012	131.90
4219	9/18/2020	AMERI	AMERINATIONAL		130.75
	20-00666	08/20 MONTHLY SVC FEE		100-3320-53111	130.75
4220	9/18/2020	AVANT	AVANT GARDE INC.		1,470.00
	6025	03/20 - DEVELOPMENT BUSINESS GRANT APPLICATION(...		100-4100-53111	1,470.00
4221	9/18/2020	BUYBARG	BARGAIN BUY'S		2,500.00
	INV0004868	CDBG-CV BUSINESS ASST GRANT PRG #2020-46		261-3320-53981	2,500.00
4222	9/18/2020	BARLAS	BARKSHIRE LASER LEVELING, INC.		14,455.08
	4471	SPORTS FIELD LASER LEVELING PROG PYMT		285-5595-59300	14,455.08
4223	9/18/2020	BROBARB	BROTHER'S BARBER SHOP		2,500.00
	INV0004852	CDBG-CV BUSINESS ASST GRANT PRG #2020-36		261-3320-53981	2,500.00
4224	9/18/2020	BRYAN	BRYAN PRESS		93.50
	0083747	BUSINESS CARDS - AGUILAR		100-2130-53011	38.50
	0083748	BUSINESS CARDS - GARCIA		100-1120-53976	55.00
4225	9/18/2020	TUXCAS	CASINO'S TUXEDO SHOP		2,500.00
	INV0004862	CDBG-CV BUSINESS ASST GRANT PRG #2020-10		261-3320-53981	2,500.00
4226	9/18/2020	CBE4AM	CBE OFFICE SOLUTIONS		1,616.38
	IN2300239	05/20-08/19 FACILITY COPIER COUNTS		100-1150-53911	1,616.38

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
4227	9/18/2020	NAVCLA	CLAUDIA NAVARRO		50.00
	INV0004846	ANIMAL CONTROL REIM - NAVARRO		100-42140	50.00
4228	9/18/2020	CONNIE	CONNIE'S BARBER SHOP & BEAUTY		2,500.00
	INV0004857	CDBG-CV BUSINESS ASST GRANT PRG #2020-25		261-3320-53981	2,500.00
4229	9/18/2020	CORLOG	CORELOGIC SOLUTIONS, LLC		100.00
	82041012	08/20 PROPERTY DATA SVC		100-3320-53111	100.00
4230	9/18/2020	EDISON	EDISON CO		4,862.46
	INV0004845	07/29=08/27 ELEC - YLAC		100-4110-53712	4,862.46
4231	9/18/2020	OASIS	EL OASIS MARISCOS		2,500.00
	INV0004860	CDBG-CV BUSINESS ASST GRANT PRG #2020-56		261-3320-53981	2,500.00
4232	9/18/2020	EXCPAV	EXCEL PAVING		166,747.72
	06	RETENTION - PROGRESS PYMT #6 - VALLEY BLVD		215-20220	-8,161.86
	06	PROGRESS PYMT #6 - VALLEY BLVD SANITARY SEWER I...		215-5587-59300	163,237.24
	06	RETENTION - PROGRESS PYMT #6 - VALLEY BLVD		500-20220	-614.33
	06	PROGRESS PYMT #6 - VALLEY BLVD SANITARY SEWER I...		500-5580-59300	12,286.67
4233	9/18/2020	EXPERI	EXPERIAN		27.00
	CD2105003872	08/20 CREDIT REPORT SVC		100-3320-53111	27.00
4234	9/18/2020	FANTA	FANTASIA BEAUTY SALON		2,500.00
	INV0004854	CDBG-CV BUSINESS ASST GRANT PRG #2020-39		261-3320-53981	2,500.00
4235	9/18/2020	FRAEXO	FRANCISCO'S EXOTIC DECO INC.		2,500.00
	INV0004848	CDBG-CV BUSSINESS ASST GRANT PRG #2020-19		261-3320-53981	2,500.00
4236	9/18/2020	G&J	G & J		2,500.00
	INV0004865	CDBG-CV BUSINESS ASST GRANT PRG #2020-31		261-3320-53981	2,500.00
4237	9/18/2020	GARDA	GARDAWORLD		292.02
	10591324	09/20 ARMORED TRANS SVC		100-1130-53111	292.02
4238	9/18/2020	GARDFL	GARDENIA'S FLOWER SHOP		2,500.00
	INV0004864	CDBG-CV BUSINESS ASST GRANT PRG #2020-15		261-3320-53981	2,500.00
4239	9/18/2020	GLOBAL	GLOBAL DATA PRODUCTS		1,540.00
	GDP06849	COVID DISINFECTANT WIPES		262-3320-53011	1,540.00
4240	9/18/2020	IDINTER	INTERNATIONAL IDENTIFICATION INC		342.58
	77927	ANIMAL DOG TAGS		100-2130-53011	342.58
4241	9/18/2020	JBBURG	J B BURGERS		2,500.00
	INV0004855	CDBG-CV BUSINESS ASST GRANT PRG #2020-55		261-3320-53981	2,500.00
4242	9/18/2020	ROSJON	JONATHAN ROSALES		139.66
	INV0004840	B & S REIM - ROSALES		100-47110	139.66
4243	9/18/2020	KUMIX	KUMIX JUICE BAR		2,500.00
	INV0004858	CDBG-CV BUSINESS ASST GRANT PRG #2020-13		261-3320-53981	2,500.00
4244	9/18/2020	LACFD	LA CO FIRE DEPT		940.00
	IN0326987	2021 SC HZRD MTRL DISCLOSURE PROGRAM		100-4130-53811	503.00
	L-IN0339035	19/20 CERS LATE SUBMITTAL		100-4130-53811	437.00
4245	9/18/2020	LPVCWD	LA PUENTE VALLEY CO WATER		1,370.76
	INV0004843	06/19-08/18 WTR - COMM CENTER		100-4100-53714	685.38
	INV0004844	06/19-08/18 WTR - YLAC		100-4110-53714	685.38
4246	9/18/2020	LEOBUI	LEONIDA BUILDERS		307,570.69
	109451-4	RETENTION - PARK SEWER IMPROV - PROGRESS PYMT #4		285-20220	-4,148.43
	109451-4	PARK SEWER IMPROV - PROGRESS PYMT #4		285-5595-59300	82,968.62
	109451-4	RETENTION - PARK SEWER IMPROV - PROGRESS PYMT #4		500-20220	-12,039.50

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Item Amount	Payment Amount
	109451-4	PARK SEWER IMPROV - PROGRESS PYMT #4		500-5595-59300	240,790.00	
4247	9/18/2020	MARIO	MARIO'S BEAUTY SALON			2,500.00
	INV0004869	CDBG-CV BUSINESS ASST GRANT PRG #2020-42		261-3320-53981	2,500.00	
4248	9/18/2020	MUNCH	MUNCHIES WATER & JUICE			2,500.00
	INV0004849	CDBG-CV BUSINESS ASST GRANT PRG #2020-24		261-3320-53981	2,500.00	
4249	9/18/2020	MYRNA	MYRNA'S BEAUTY SALON			2,500.00
	INV0004867	CDBG-CV BUSINESS ASST GRANT PRG #2020-48		261-3320-53981	2,500.00	
4250	9/18/2020	OLI'S	OLI'S MISCELLANEOUS			2,500.00
	INV0004853	CDBG-CV BUSINESS ASST GRANT PRG #2020-38		261-3320-53981	2,500.00	
4251	9/18/2020	PCMATI	PC MATIC PRO			191.10
	2181	ENDPOINT PROTECTION FOR 5 LAPTOPS		550-6100-53017	191.10	
4252	9/18/2020	QUINMO	QUINTIN'S MOBIL			41.47
	1019807	FUEL - CODE ENF		555-3150-53014	41.47	
4253	9/18/2020	BEAUREY	REYNA BEAUTY SALON & SPA			2,500.00
	INV0004863	CDBG-CV BUSINESS ASST GRANT PRG #2020-11		261-3320-53981	2,500.00	
4254	9/18/2020	ROYSHO	ROYAL SHOES & GEMS			2,500.00
	INV0004866	CDBG-CV BUSINESS ASST GRANT PRG #2020-35		261-3320-53981	2,500.00	
4255	9/18/2020	SABOR	SABOR DE MEXICO RESTAURANT			16,077.60
	20361	08/31-09/06 - SENIOR NUTRITION PROGRAM		261-3320-53111	2,009.70	
	20361	08/31-09/06 - SENIOR NUTRITION PROGRAM		262-3320-53111	6,029.10	
	20362	09/07-09/13 SENIOR NUTRITION PROGRAM		261-3320-53111	2,009.70	
	20362	09/07-09/13 SENIOR NUTRITION PROGRAM		262-3320-53111	6,029.10	
4256	9/18/2020	SANGAB	SAN GABRIEL VALLEY TRIBUNE RENEWAL			4.95
	INV0004847	SC RENEWAL SUBSCRIPTION		100-4130-53961	4.95	
4257	9/18/2020	AQMD	SOUTH COAST AQMD			1,195.76
	3673781	MTCE - ICE ELEC GEN/BOILER/HOTWATER HEATER MTC		100-3330-53811	638.34	
	3690583	FY 20/21 CH - EMISSIONS FEE		100-1150-53811	136.40	
	3692064	CH ICE ELEC GEN DIESEL		100-1150-53811	421.02	
4258	9/18/2020	CORNE	THE CORNER BARBERSHOP			2,500.00
	INV0004850	CDBG-CV BUSINESS ASST GRANT PRG # 2020-23		261-3320-53981	2,500.00	
4259	9/18/2020	GASCO	THE GAS COMPANY			7.90
	INV0004842	05/04-09/01 GAS - COMM CENTER		100-4100-53711	7.90	
4260	9/18/2020	MEXEX	THE MEX EXPRESS			2,500.00
	INV0004856	CDBG-CV BUSINESS ASST GRANT PRG #2020-52		261-3320-53981	2,500.00	
4261	9/18/2020	TIMEWA	TIME WARNER CABLE			195.43
	0029063090120	09/20 CH CABLE SVC + JULY PYMT		100-1150-53715	195.43	
4263	9/18/2020	HIYVO	YVONNE HINOJOSA			379.47
	INV0004841	B & S REIM - HINOJOSA		100-42110	379.47	
4264	9/25/2020	AEGSLN	AEG SOLUTIONS			499.89
	77848	MANUAL GROMMET PRESS		100-4100-53811	231.91	
	77849	HEAVY BANNER FABRIC		100-4100-53811	267.98	
4265	9/25/2020	ALEXSAUTO	ALEX'S AUTO GLASS			100.00
	4855	REMOVAL OF DECALS FROM TAHOE		555-3150-53812	50.00	
	4889	2004 TAHOE DECAL REMOVAL		555-3150-53812	50.00	
4266	9/25/2020	AMABUS	AMAZON CAPITAL SERVICES INC			1,650.11
	161T-WHJJ-W3KN	GLOVES & FACEMASKS		262-3320-53011	325.49	
	1J4H-W79C-JMDC	PPE ITEMS		262-3320-53011	617.70	

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	1NKX-N6C1-QYFH	GLOVES		262-3320-53011	169.26
	ICR3-LL3J-67FW	PRINTER INK-FRONT COUNTER		550-6100-53018	537.66
4267	9/25/2020	ATT	AT&T		103.27
	000015279885	08/06-09/05 PHONE - CH 911 LINE		100-1150-53715	20.16
	000015279886	08/06-09/05 PHONE - 911 LINE MTCE YARD		285-3330-53715	20.16
	000015325666	08/13-09/12 PHONE - CC FAX LINE		100-4100-53715	41.97
	000015325867	08/13-09/12 PHONE - LP SNACK BAR		285-3330-53715	20.98
4268	9/25/2020	BOGIR	BOYS & GIRLS CLUB OF WEST SAN GABRIEL VALLEY		60,000.00
	06252020-YRGQ3NGO	YRGQ3		100-48900	54,000.00
	09012020-YRGQ4	YRGQ4		100-48900	6,000.00
4269	9/25/2020	GABRIAN	BRIANNA GARCIA		35.00
	INV0004881	LIVESCAN REIM - GARCIA		100-1135-53406	35.00
4270	9/25/2020	CALWST	CALWEST LIGHTING SERVICES, INC.		829.20
	46474	LP PARK - REPAIR LIGHTS		285-3330-53822	829.20
4271	9/25/2020	CINTA	CINTAS CORPORATION #693		198.94
	4061899135	09/20 SC MAT RENTAL		100-4130-53012	198.94
4272	9/25/2020	DAKOTA	DAKOTA BACKFLOW CO		350.00
	49388	MEDIANS BACKFLOW REPAIR		200-3120-53814	350.00
4273	9/25/2020	DAROLI	DAPEER, ROSENBLIT & LITVAK, LLP		1,571.87
	17731	08/20 LEGAL - SVC - CODE ENF		100-2110-53114	1,571.87
4274	9/25/2020	DELCOM	DELHAVEN COMMUNITY CENTER		530.00
	INV1201	08/20 NATURE PARK SVC		100-4100-53111	350.00
	INV1201	08/20 CAR DETAIL		555-3150-53812	180.00
4275	9/25/2020	DEPTPUB	DEPT OF PUBLIC HEALTH		770.00
	IN0812489	20/21 SNACK BAR ANNUAL LIC FEE		285-3330-53813	400.00
	IN0823847	20/21 CC ANNUAL LICENSE FEE		285-3330-53813	370.00
4276	9/25/2020	BUTTS	ED BUTTS FORD		812.57
	C94336	VEH MTCE - F350		555-3150-53812	505.09
	C95085	VEH MTCE - GRAFFITI TRUCK		555-3150-53812	307.48
4277	9/25/2020	EDISON	EDISON CO		24.43
	INV0004883	08/19-09/18 ELEC - 14746 TEMPLE AVE		200-3120-53713	12.38
	INV0004884	08/19-09/18 ELEC - 16159 TEMPLE AVE		200-3120-53713	12.05
4278	9/25/2020	VERIC	FRONTIER COMMUNICATIONS		165.48
	INV0004871	09/07-10/06 PHONE-SR CTR ALARM		100-4130-53715	110.78
	INV0004885	09/16-10/15 PHONE - CH MAIN		100-1150-53715	54.70
4279	9/25/2020	GOVMEM	GOVERNMENT FINANCE		575.00
	INV0004892	FY 20/21 BUDGET AWARD FEE		100-1130-53111	575.00
4280	9/25/2020	HPCOMM	H P COMMUNICATIONS		25.00
	INV0004873	REFUND-BL# 19968 OVERPAYMENT		100-48900	25.00
4281	9/25/2020	HACLWN	HACIENDA LAWNMOWER SHOP		33.26
	4596	MACHINE TUNE-UP		100-3330-53811	33.26
4282	9/25/2020	HEADGA	HEAD GAMES HAIR LOUNGE		2,500.00
	INV0004874	2020-06 - CDBG-CV BUSINESS GRANT		261-3320-53981	2,500.00
4283	9/25/2020	JCLBAR	JCL TRAFFIC		996.72
	105599	STOP SIGNS		200-3120-53821	664.26
	105671	CITY LOGO STICKERS		200-3120-53821	56.71
	105671	CITY LOGO STICKERS		555-3150-53812	275.75

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
4284	9/25/2020	GONSALV	JOE A. GONSALVES & SON		2,500.00
	158499	10/20 LEGISLATIVE SVC		100-1100-53111	2,500.00
4285	9/25/2020	JUMBO	JUMBO CHINESE FAST FOOD		105.00
	INV0004891	REFUND - BL # 19533 OVERPAYMENT		100-48900	105.00
4286	9/25/2020	LACAC	LA CO AUDITOR/CONTROLLER		625.07
	INV0004870	FY 20/21 LAFCO FEES		100-1130-53965	625.07
4287	9/25/2020	LACRD	LA CO DEPT PUBLIC WORKS		2,553.36
	RE-PW-20090801035	08/20 IW LA PUENTE		100-3110-53121	2,553.36
4288	9/25/2020	LACSHF	LA CO SHERIFF'S DEPT		4,125.43
	210195AL	07/01-07/05 IDT-CRIME SUPPRESSION		100-2100-53113	4,125.43
4289	9/25/2020	LPVCWD	LA PUENTE VALLEY CO WATER		1,370.76
	INV0004879	06/19-08/18 WTR - COMM CENTER		100-4100-53714	685.38
	INV0004880	06/19-08/18 WTR - YLAC		100-4110-53714	685.38
4290	9/25/2020	LOCKSP	LOCKS PLUS, INC		149.79
	33682	CC/YLAC MAINT PARTS		100-4100-53813	60.00
	34368	DUPLICATE KEYS		100-3100-53012	89.79
4291	9/25/2020	NOLIMI	NO LIMITS WIRELESS		142.00
	INV0004872	REFUND- BL# 19515 NO PENALTIES		100-48900	142.00
4292	9/25/2020	OREILLY	O'REILLY AUTO PARTS		18.44
	3607-178946	TRACTOR MTCE		555-3150-53812	18.44
4293	9/25/2020	MAPIPE	PIPE MASTERS PLUMBING		120.00
	INV0004876	BL OVERPAYMENT # 20743		100-48900	120.00
4294	9/25/2020	QUINMO	QUINTIN'S MOBIL		188.52
	1010939	FUEL		555-3150-53014	29.00
	1010860	FUEL-ANIMAL CONTROL TRUCK		555-3150-53014	36.00
	1010944	FUEL		555-3150-53014	18.94
	1011014	FUEL		555-3150-53014	30.99
	1011030	FUEL-FUSION		555-3150-53014	27.65
	1011744	FUEL - CODE ENF		555-3150-53014	30.96
	1011990	FUEL - CODE ENF		555-3150-53014	14.98
4295	9/25/2020	CARRRI	RICARDO CARRILLO		96.89
	INV0004878	REIM - CARRILLO TRACTOR PARTS		555-3150-53812	86.18
	INV0004878	REIM - CARRILLO TRACTOR PART		555-3150-53812	10.71
4296	9/25/2020	SGVWC	S.G.V. WATER CO		4,068.26
	INV0004886	08/13-09/14 WTR - 715 IRRIG PUENTE		200-3120-53714	380.66
	INV0004887	08/13-09/14 WTR - 545 IRRIG PUENTE		200-3120-53714	387.42
	INV0004888	08/13-09/14 WTR - 13760 IRRIG TEMPLE		200-3120-53714	3,085.21
	INV0004889	08/07-09/07 WTR - 935 IRRIG PUENTE		200-3120-53714	214.97
4297	9/25/2020	SABOR	SABOR DE MEXICO RESTAURANT		8,294.00
	20363	09/14-09/20 SENIOR NUTRITION PROGRAM		261-3320-53111	2,073.50
	20363	09/14-09/20 SENIOR NUTRITION PROGRAM		262-3320-53111	6,220.50
4298	9/25/2020	SGVGOV	SAN GABRIEL VALLEY - COG		500.00
	VMT-01-13	VMT ANALYSIS MODEL		200-3120-53111	500.00
4299	9/25/2020	SGVT	SAN GABRIEL VLY NEWSPAPER		515.00
	0011412328	AD - CITYWIDE CONCRETE REPAIRS		203-5590-59300	515.00
4300	9/25/2020	DANON	SPARKLETTS		161.15
	10303592 091020	09/20 CH WATER SVC		100-1150-53011	161.15

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Item Amount	Payment Amount
4301	9/25/2020	STAPLE	STAPLES CREDIT PLAN			715.03
	2610467691	OFFICE SUPPLIES		100-1130-53011	124.97	
	2610469161	MARKER PEN		100-1130-53011	65.98	
	2611146341	FOAM PENCIL GRIP		100-1130-53011	35.40	
	2615282891	BINDING COMBS		100-1130-53011	37.02	
	2617752401	OFFICE SUPPLIES		100-1130-53011	20.66	
	2618043311	OFFICE SUPPLIES		100-1150-53011	24.47	
	2623009471	FOLDER FILES		100-1130-53011	101.62	
	2627982371	BANK DEPOSIT BAGS		100-1130-53011	148.46	
	2633414571	OFFICE SUPPLIES		100-2110-53011	49.46	
	2634326851	CE - PENS		100-2110-53011	106.99	
4302	9/25/2020	STOTZE	STOTZ EQUIPMENT			1,259.95
	W24082	TRACTOR REPAIR		555-3150-53812	1,259.95	
4303	9/25/2020	SOSUBW	SUBURBAN WATER SYSTEMS			239.84
	180021895475	08/07-09/08 WTR - N HACIENDA/MAPLEGROVE		200-3120-53714	239.84	
4304	9/25/2020	TERMI	TERMINIX PROCESSING CENTER			193.00
	400382219	09/20 SC PEST CONTROL		100-4130-53813	90.00	
	400403494	09/20 CC PEST CONTROL		100-4100-53813	50.00	
	400403518	09/20 YLAC PEST CONTROL		285-3330-53813	53.00	
4305	9/25/2020	GASCO	THE GAS COMPANY			7.90
	INV0004882	05/04-09/01 GAS - COMM CENTER		100-4100-53711	7.90	
4306	9/25/2020	THESAU	THE SAUCE CREATIVE SERVICES CORP			952.50
	4430	VETERANS DAY BANNER W/STAND		100-4110-53976	952.50	
4307	9/25/2020	TIMEWA	TIME WARNER CABLE			803.86
	0400926091020	09/10-10/09 FIBER SVC/CH INTERNET		100-1150-53715	803.86	
4308	9/25/2020	SUBTJ	TJ'S SUBMARINES			2,500.00
	INV0004875	2020-1 - CDBG-CV BUSINESS GRANT		261-3320-53981	2,500.00	
4309	9/25/2020	TRACY	TRACY LUONG LE			2,500.00
	INV0004861	CDBG-CV BUSINESS ASST GRANT PRG #2020-5		261-3320-53981	2,500.00	
4310	9/25/2020	TRINY	TRINY & TINA HAIR STYLING			2,500.00
	INV0004877	2020-34 - CDBG-CV BUSINESS GRANT		261-3320-53981	2,500.00	
4311	9/25/2020	WESCO	WEST COAST ARBORISTS INC			4,805.40
	163699	08/16-31 PKWY TREE MTCE		200-3120-53815	4,805.40	
4312	9/25/2020	WSS	WSS SHOES STYLE SELECTION			220.00
	INV0004890	REFUND - BL # 19533 OVERPAYMENT		100-48900	220.00	
4313	10/1/2020	STADIS	CALIFORNIA STATE DISBURSEMENT UNIT			800.02
	INV0004896	CHILD SUPPORT		260-20399	800.02	
4314	10/1/2020	NATRS	NATIONWIDE RETIREMENT			120.00
	INV0004902	Employee Contribution		100-20340	111.95	
	INV0004902	Employee Contribution		200-20340	1.15	
	INV0004902	Employee Contribution		203-20340	1.15	
	INV0004902	Employee Contribution		205-20340	1.15	
	INV0004902	Employee Contribution		210-20340	1.15	
	INV0004902	Employee Contribution		215-20340	1.15	
	INV0004902	Employee Contribution		285-20340	2.30	
4315	10/1/2020	RELIAN	RELIANCE STANDARD LIFE INS.			2,149.76
	INV0004895	LIFE INSURANCE		100-20320	350.99	
	INV0004895	LIFE INSURANCE		200-20320	27.93	
	INV0004895	LIFE INSURANCE		203-20320	16.79	
	INV0004895	LIFE INSURANCE		205-20320	15.48	

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	INV0004895	LIFE INSURANCE		210-20320	20.76
	INV0004895	LIFE INSURANCE		215-20320	6.53
	INV0004895	LIFE INSURANCE		260-20320	18.52
	INV0004895	LIFE INSURANCE		261-20320	8.10
	INV0004895	LIFE INSURANCE		285-20320	27.90
	INV0004900	LTD INSURANCE		100-20330	602.54
	INV0004900	LTD INSURANCE		200-20330	59.50
	INV0004900	LTD INSURANCE		203-20330	35.53
	INV0004900	LTD INSURANCE		205-20330	32.80
	INV0004900	LTD INSURANCE		210-20330	38.85
	INV0004900	LTD INSURANCE		215-20330	21.13
	INV0004900	LTD INSURANCE		260-20330	36.11
	INV0004900	LTD INSURANCE		261-20330	14.63
	INV0004900	LTD INSURANCE		285-20330	52.14
	INV0004907	STD INSURANCE		100-20330	514.98
	INV0004907	STD INSURANCE		200-20330	50.85
	INV0004907	STD INSURANCE		203-20330	30.35
	INV0004907	STD INSURANCE		205-20330	28.05
	INV0004907	STD INSURANCE		210-20330	33.30
	INV0004907	STD INSURANCE		215-20330	18.05
	INV0004907	STD INSURANCE		260-20330	30.89
	INV0004907	STD INSURANCE		261-20330	12.45
	INV0004907	STD INSURANCE		285-20330	44.61
4316	10/1/2020	USBANK	U.S BANK PARS ACCT# 6746022400		2,459.86
	INV0004906	PARS RETIREMENT		100-20340	1,507.75
	INV0004906	PARS RETIREMENT		200-20340	185.86
	INV0004906	PARS RETIREMENT		203-20340	52.95
	INV0004906	PARS RETIREMENT		260-20340	550.97
	INV0004906	PARS RETIREMENT		285-20340	162.33
4317	10/2/2020	ARMIJO	ABC PR		4,276.50
	2095	2019/20 WINTER SPOTLIGHT		100-4140-53415	2,993.55
	2095	2019/20 WINTER SPOTLIGHT		210-3130-53415	1,282.95
4318	10/2/2020	BRYAN	BRYAN PRESS		514.20
	0083765	CITY ENVELOPES		100-1150-53011	514.20
4319	10/2/2020	DECASA	CASA DE SANCHEZ INC		2,500.00
	INV0004917	2020-21 - CDBG BUSINESS GRANT		261-3320-53981	2,500.00
4320	10/2/2020	CBEEQU	CELL BUSINESS EQUIPMENT		444.47
	69374266	09/20 CH COPIER LEASE		100-1150-53911	444.47
4321	10/2/2020	CED	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC		999.31
	3301-533126	LP ELECTRICAL SUPPLIES		285-3330-53822	36.28
	3301-533407	LP PARK - ELECTRICAL SUPPLIES		285-3330-53822	963.03
4322	10/2/2020	DATATIC	DATA TICKET INC.		147.84
	116327	08/20 CODE ENF CITATION PROCESSING		100-2110-53111	147.84
4323	10/2/2020	DIMESI	DIMESI BOUTIQUE		2,500.00
	INV0004918	2020-49 - CDBG BUSINESS GRANT		261-3320-53981	2,500.00
4324	10/2/2020	EDISON	EDISON CO		364.90
	INV0004922	08/07-09/08 ELEC- VARIOUS		200-3120-53713	311.15
	INV0004923	08/07-09/08 ELEC - 13798 TEMPLE AVE		200-3120-53713	53.75
4325	10/2/2020	EXPERI	EXPERIAN		27.00
	CD2106003982	09/20 CREDIT REPORT SVC		100-3320-53111	27.00

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
4326	10/2/2020	FELIPE	FELIPE SALAZAR INSURANCE SERV		2,500.00
	INV0004920	2020-47 - CDBG BUSINESS GRANT		261-3320-53981	2,500.00
4327	10/2/2020	KOI	KOI THAI CUISINE LLC		2,500.00
	INV0004919	2020-04 - CDBG BUSINESS GRANT		261-3320-53981	2,500.00
4328	10/2/2020	LACANL	LA CO ANIMAL CARE AND CONTROL		935.81
	INV0004916	08/20 ANIMAL HOUSING		100-2130-53112	935.81
4329	10/2/2020	LACRDD	LA CO DEPT PUBLIC WORKS		4,007.07
	IN210000156	01-07/31- TS FRANCISQUITO@HACIENDA		200-3120-53819	308.61
	IN210000198	01/01-08/31 - TS AMAR/WILLOW		200-3120-53819	1,678.42
	IN210000201	01/01-08/31 - TS AZUSA@SALAIS		200-3120-53819	2,020.04
4330	10/2/2020	RESMAR	MARGARITA RESENDEZ		1.50
	INV0004915	B & S REIM - RESENDEZ		100-42110	1.50
4331	10/2/2020	MERRIT	MERRITTS HARDWARE		1,711.13
	117693	GLOVES FOR ANIMAL CONTROL		100-2130-53011	49.46
	117726	MTCE SUPPLIES		100-3100-53012	17.58
	117727	KEY		100-3100-53012	4.95
	117874	GLOVES FOR STAFF - COVID		100-2130-53011	84.41
	117957	GRAFFITI SUPPLIES		200-3120-53016	4.39
	118011	LP PARK - IRRIGATION SUPPLIES		285-3330-53814	24.59
	118059	BANNERS		200-3120-53012	25.27
	118074	MTCE TOOLS		100-3100-53012	65.89
	118120	LP PARK - IRRIGATION SUPPLIES		285-3330-53822	160.96
	118156	STREET SIGNS		200-3120-53821	48.37
	118186	LP PARK IRRIGATION - SUPPLIES		285-3330-53822	110.47
	118194	CREDIT - VALVE		285-3330-53822	-37.38
	118197	MTCE TOOL		100-3100-53012	13.19
	118231	GRAFFITI SUPPLIES		200-3120-53016	39.04
	118242	MTCE TOOLS		285-3330-53822	61.09
	118264	MTCE TOOLS		100-3100-53012	120.04
	118305	LATEX GLOVES		100-2130-53011	27.70
	118319	GRAFFITI SUPPLIES		200-3120-53016	22.52
	118330	MTCE TOOLS		285-3330-53822	81.70
	118385	LED LIGHTS		100-1150-53813	19.78
	118417	MTCE TOOLS		285-3330-53822	72.20
	118440	CODE SUPPLIES		100-2110-53015	70.36
	118461	MTCE TOOLS		285-3330-53822	78.90
	118570	CH SUPPLIES		100-4100-53112	104.10
	118634	GRAFFITI SUPPLY		200-3120-53016	0.55
	118642	MTCE SUPPLIES		100-3330-53012	35.39
	118702	GRAFFITI SUPPLIES		200-3120-53016	114.28
	118713	MTCE SUPPLIES		285-3330-53822	26.36
	118832	GRAFFITI SUPPLIES		200-3120-53016	69.70
	118903	MTCE SUPPLIES		100-3100-53012	15.38
	119019	MTCE TOOLS		285-3330-53822	29.41
	119072	ANIMAL CONTROL VEH GLOVES		100-2130-53011	60.68
	119204	GRAFFITI SUPPLIES		200-3120-53016	28.30
	119237	MTCE TOOLS		200-3120-53016	38.45
	119249	MTCE TOOLS		100-3330-53011	23.05
4333	10/2/2020	MUSSPO	MUSCO SPORTS LIGHTING, LLC		584,045.00
	340185	SPORTS FIELD LIGHTNING		100-5596-59300	159,320.00
	340185	SPORTS FIELD LIGHTNING		280-5594-59300	147,605.00
	340185	SPORTS FIELD LIGHTNING		500-5595-59300	277,120.00
4334	10/2/2020	NATCON	NATIONAL CONSTRUCTION RENTALS		59.28
	5868270	LP- CHAIN LINK FENCE PLAYGROUND CLOSURE		285-3330-53822	59.28

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
4335	10/2/2020	OURPOW	OUR POWDER COATINGS		658.75
	43517	POWDERCOAT ST. SIGNS - ANCHORS		200-3120-53821	658.75
4336	10/2/2020	QUESTYS	QUESTYS SOLUTIONS		1,770.87
	MN0001186	11/20-10/21 ANNUAL SOFTWARE MTCE		550-6100-53111	1,770.87
4337	10/2/2020	QUINMO	QUINTIN'S MOBIL		86.36
	1011571	FUEL - MTCE VEH		555-3150-53014	86.36
4338	10/2/2020	SABOR	SABOR DE MEXICO RESTAURANT		8,932.00
	20364	09/21-09/27 SENIOR NUTRITION PROGRAM		261-3320-53111	2,233.00
	20364	09/21-09/27 SENIOR NUTRITION PROGRAM		262-3320-53111	6,699.00
4339	10/2/2020	SITEON	SITEONE LANDSCAPE SUPPLY, LLC		2,648.87
	103054392-001	IRRIGATION SUPPLIES		285-3330-53822	398.96
	103102936-001	IRRIGATION SUPPLIES		285-3330-53822	613.53
	103102936-002	IRRIGATION SUPPLIES		285-3330-53822	228.89
	103198987-001	IRRIGATION SUPPLIES		285-3330-53822	572.06
	103256683-001	IRRIGATION SUPPLIES		285-3330-53822	835.43
4340	10/2/2020	SGTRA	SOUTHLAND TRANSIT INC		43,222.25
	LAPUENTE0820	08/20 - DIAL A RIDE		210-3130-53916	7,176.14
	LAPUENTE0820	08/20 LP LINK SVC		210-3130-53917	36,849.01
	LAPUENTE0820	08/20 DIAL A RIDE FARE		210-46100	-28.00
	LAPUENTE0820	08/20 LP LINK FARE		210-46105	-1,353.75
	LAPUENTE0820	08/20 VEHICLE DECALS		555-3150-53812	578.85
4341	10/2/2020	STANLE	STANLEY PEST CONTROL, INC.		165.00
	285478	09/20 LP SNACK BAR PEST CONTROL		100-3330-53822	80.00
	285481	09/20 ABBEY ST PEST CONTROL		200-3120-53814	85.00
4342	10/2/2020	SOSUBW	SUBURBAN WATER SYSTEMS		1,486.41
	180012153177	08/21-09/22 WTR - N. HACIENDA/TEMPLE		200-3120-53714	470.15
	180012153240	08/21-09/22 WTR - HACIENDA/NELSON		200-3120-53714	97.15
	180012153605	08/21-09/22 WTR - 15210 TEMPLE AVE		200-3120-53714	210.38
	180021905296	08/21-09/22 WTR - ELLIOTT		200-3120-53714	130.57
	180021906252	08/21-09/22 WTR - 16159 TEMPLE AVE		200-3120-53714	265.01
	180041527004	08/21-09/22 WTR - AMAR/HACIENDA		200-3120-53714	127.95
	180051400770	08/21-09/22 WTR - AMAR & AILERON		200-3120-53714	185.20
4343	10/2/2020	TERMI	TERMINIX PROCESSING CENTER		167.00
	400389739	09/20 CH PEST CONTROL		100-1150-53813	82.00
	400390042	09/20 CH PEST CONTROL		100-1150-53813	85.00
4344	10/2/2020	THESAU	THE SAUCE CREATIVE SERVICES CORP		918.50
	4439	CC - COVID DECALS		100-4100-53011	918.50
4345	10/2/2020	TERLAC	TLC MATERIALS		3,642.84
	110969	SAND FOR SPORTS FIELDS		280-5594-59300	910.80
	111027	SAND FOR SPORTS FIELDS		285-5595-59300	2,732.04
4346	10/2/2020	TMOBILE	T-MOBILE		2,657.34
	INV0004921	08/21-09/20 PUBLIC SAFETY SVC		100-2100-53715	196.77
	INV0004921	08/21-09/20 PUBLIC SAFETY SVC		100-2110-53715	28.11
	INV0004924	08/21-09/20 CE WIRELESS SVC		100-2110-53715	1,205.40
	INV0004924	08/21-09/20 CE WIRELESS SVC		100-3100-53715	712.73
	INV0004925	08/21-09/20 - MTCE WIRELESS SVC		100-3100-53715	514.33
4347	10/2/2020	CALCARD	US Bank CalCard		12,113.31
	INV0004926	FLOWERS		100-1100-53976	118.74
	INV0004926	VESTA AT&T		100-2130-53011	40.58
	INV0004926	VESTA AT&T		100-2130-53011	50.00
	INV0004926	FUEL		555-3150-53014	76.97

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	INV0004926	FUEL		555-3150-53014	77.71
	INV0004927	FY 20/21 GFOA DUES		100-1130-53971	305.00
	INV0004927	VESTA AT&T		100-2130-53011	40.58
	INV0004927	VESTA AT&T		100-2130-53011	40.58
	INV0004927	VESTA AT&T		100-2130-53011	40.58
	INV0004927	BUSINESS GRANT PPE KITS		261-3320-53981	415.80
	INV0004927	BUSINESS GRANT PPE KITS		261-3320-53981	5,167.14
	INV0004927	REMOTE DESKTOP SOFTWARE ADD'L LINE		550-6100-53017	97.86
	INV0004927	20-21 ABODE LICENSE		550-6100-53017	581.04
	INV0004927	LAPTOP WINDOW 10 UPGRADE		550-6100-53018	99.00
	INV0004927	10 - TB INTERNAL HARDDRIVES (5)		550-6100-53018	2,157.45
	INV0004927	IT PROFESSIONAL SVC		550-6100-53111	42.92
	INV0004928	COVID ZOOM WEBINAR		550-6100-53017	305.75
	INV0004928	COVID WEBINAR MTG		550-6100-53017	63.00
	INV0004928	COVID ZOOM WEBINAR		550-6100-53017	14.99
	INV0004929	FLOWERS		100-1100-53976	208.95
	INV0004929	OFFICE SUPPLIES		100-4100-53011	34.97
	INV0004929	VET PINS - 200		100-4110-53976	518.00
	INV0004929	ADHOC LUNCH MTG		100-4140-53976	58.22
	INV0004930	CODE ENF LAPTOP		260-3320-53012	1,082.99
	INV0004930	BUSINESS GRANT BAGS/KITS		261-3320-53981	474.49
4348	10/2/2020	WESCO	WEST COAST ARBORISTS INC		5,859.28
	164194	09/01-15 - PKWY TREE MTCE		200-3120-53815	5,859.28
4349	10/2/2020	WILENG	WILLDAN ENGINEERING		171,215.94
	002-23038	06/20 BUILDING & SAFETY SVC		100-3310-53111	29,649.16
	002-23140	08/20 BUILDING & SAFETY SVC		100-3310-53111	116,936.83
	003-32656	06/20 ENGINEERING PERMITS		100-3110-53120	21,204.95
	003-33055	08/20 LP MUSCO LIGHTS FOUNDATION		100-3330-53111	1,175.00
	00619182	05/20 LANDSAPE PLAN - STAR THEATER DEVELOPMENT		600-20230	720.00
	00619183	05/20 LANDSCAPE PLAN REVIEW - 15763 AMAR ROAD		100-3110-53111	540.00
	00619335	06/20 LANDSCAPE PLAN STAR THEATER DEVELOPMENT		600-20230	990.00
DFT0000980	9/16/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		11,218.63
	INV0004825	EMPLOYER CONTRIBUTION		100-20360	7,867.29
	INV0004825	EMPLOYER CONTRIBUTION		200-20360	710.15
	INV0004825	EMPLOYER CONTRIBUTION		203-20360	403.03
	INV0004825	EMPLOYER CONTRIBUTION		205-20360	368.58
	INV0004825	EMPLOYER CONTRIBUTION		210-20360	436.46
	INV0004825	EMPLOYER CONTRIBUTION		215-20360	186.78
	INV0004825	EMPLOYER CONTRIBUTION		260-20360	390.31
	INV0004825	EMPLOYER CONTRIBUTION		261-20360	182.97
	INV0004825	EMPLOYER CONTRIBUTION		285-20360	673.06
DFT0000981	9/16/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		7,220.45
	INV0004826	PERS- NEW EMPLY CONTRB		100-20399	4,955.98
	INV0004826	PERS- NEW EMPLY CONTRB		200-20399	454.37
	INV0004826	PERS- NEW EMPLY CONTRB		203-20399	278.75
	INV0004826	PERS- NEW EMPLY CONTRB		205-20399	253.33
	INV0004826	PERS- NEW EMPLY CONTRB		210-20399	289.34
	INV0004826	PERS- NEW EMPLY CONTRB		215-20399	162.66
	INV0004826	PERS- NEW EMPLY CONTRB		260-20399	256.74
	INV0004826	PERS- NEW EMPLY CONTRB		261-20399	104.13
	INV0004826	PERS- NEW EMPLY CONTRB		285-20399	465.15
DFT0000982	9/16/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		725.48
	INV0004827	EMPLOYEE PORTION		100-20360	671.22
	INV0004827	EMPLOYEE PORTION		200-20360	15.50
	INV0004827	EMPLOYEE PORTION		210-20360	7.75

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	INV0004827	EMPLOYEE PORTION		285-20360	31.01
DFT0000983	9/16/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		35.00
	INV0004829	SURVIVORS LIFE INSURANCE		100-20350	26.65
	INV0004829	SURVIVORS LIFE INSURANCE		200-20350	1.59
	INV0004829	SURVIVORS LIFE INSURANCE		203-20350	1.01
	INV0004829	SURVIVORS LIFE INSURANCE		205-20350	0.87
	INV0004829	SURVIVORS LIFE INSURANCE		210-20350	1.12
	INV0004829	SURVIVORS LIFE INSURANCE		215-20350	0.35
	INV0004829	SURVIVORS LIFE INSURANCE		260-20350	0.95
	INV0004829	SURVIVORS LIFE INSURANCE		261-20350	0.45
	INV0004829	SURVIVORS LIFE INSURANCE		285-20350	2.01
DFT0000984	9/16/2020	EMPLOY	EMPLOYMENT DEVELOPMENT DEPT		4,348.53
	INV0004832	STATE INCOME TAX		100-20310	3,131.23
	INV0004832	STATE INCOME TAX		200-20310	240.47
	INV0004832	STATE INCOME TAX		203-20310	140.77
	INV0004832	STATE INCOME TAX		205-20310	120.62
	INV0004832	STATE INCOME TAX		210-20310	134.56
	INV0004832	STATE INCOME TAX		215-20310	100.80
	INV0004832	STATE INCOME TAX		260-20310	166.32
	INV0004832	STATE INCOME TAX		261-20310	27.27
	INV0004832	STATE INCOME TAX		285-20310	286.49
DFT0000985	9/16/2020	IRSPR	IRS PAYROLL TAX DEPOSIT		12,850.80
	INV0004833	FEDERAL WITHHOLDING		100-20300	9,277.11
	INV0004833	FEDERAL WITHHOLDING		200-20300	702.31
	INV0004833	FEDERAL WITHHOLDING		203-20300	375.80
	INV0004833	FEDERAL WITHHOLDING		205-20300	315.89
	INV0004833	FEDERAL WITHHOLDING		210-20300	376.97
	INV0004833	FEDERAL WITHHOLDING		215-20300	246.83
	INV0004833	FEDERAL WITHHOLDING		260-20300	654.67
	INV0004833	FEDERAL WITHHOLDING		261-20300	99.09
	INV0004833	FEDERAL WITHHOLDING		285-20300	802.13
DFT0000986	9/16/2020	IRSPR	IRS PAYROLL TAX DEPOSIT		4,011.00
	INV0004834	MEDICARE TAX		100-20300	2,776.66
	INV0004834	MEDICARE TAX		200-20300	244.18
	INV0004834	MEDICARE TAX		203-20300	130.98
	INV0004834	MEDICARE TAX		205-20300	96.10
	INV0004834	MEDICARE TAX		210-20300	112.10
	INV0004834	MEDICARE TAX		215-20300	62.62
	INV0004834	MEDICARE TAX		260-20300	306.38
	INV0004834	MEDICARE TAX		261-20300	42.66
	INV0004834	MEDICARE TAX		285-20300	239.32
DFT0000987	9/18/2020	CAPERS	CALPERS		700.00
	100000016149583	GASB 68 VALUATION		100-1130-53111	700.00
DFT0000989	10/1/2020	ICMARC	VANTAGEPOINT TRANSFER AGENTS-457		1,300.00
	INV0004899	EMPLOYEE CONTRIBUTIONS		100-20399	642.04
	INV0004899	EMPLOYEE CONTRIBUTIONS		200-20399	152.43
	INV0004899	EMPLOYEE CONTRIBUTIONS		203-20399	88.53
	INV0004899	EMPLOYEE CONTRIBUTIONS		205-20399	65.24
	INV0004899	EMPLOYEE CONTRIBUTIONS		210-20399	103.80
	INV0004899	EMPLOYEE CONTRIBUTIONS		215-20399	107.21
	INV0004899	EMPLOYEE CONTRIBUTIONS		260-20399	53.96
	INV0004899	EMPLOYEE CONTRIBUTIONS		261-20399	9.00
	INV0004899	EMPLOYEE CONTRIBUTIONS		285-20399	77.79
DFT0000990	10/1/2020	CPERS-HEALTH	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		45,716.37
	INV0004901	HEALTH INSURANCE		100-20399	31,232.26

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Item Amount	Payment Amount
	INV0004901	HEALTH INSURANCE		200-20399	2,603.77	
	INV0004901	HEALTH INSURANCE		203-20399	1,700.81	
	INV0004901	HEALTH INSURANCE		205-20399	1,540.70	
	INV0004901	HEALTH INSURANCE		210-20399	2,206.63	
	INV0004901	HEALTH INSURANCE		215-20399	663.45	
	INV0004901	HEALTH INSURANCE		260-20399	2,059.99	
	INV0004901	HEALTH INSURANCE		261-20399	1,001.04	
	INV0004901	HEALTH INSURANCE		285-20399	2,707.72	
DFT0000991	10/1/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM			11,184.96
	INV0004903	EMPLOYER CONTRIBUTION		100-20360	7,552.18	
	INV0004903	EMPLOYER CONTRIBUTION		200-20360	751.16	
	INV0004903	EMPLOYER CONTRIBUTION		203-20360	435.24	
	INV0004903	EMPLOYER CONTRIBUTION		205-20360	394.21	
	INV0004903	EMPLOYER CONTRIBUTION		210-20360	497.70	
	INV0004903	EMPLOYER CONTRIBUTION		215-20360	213.20	
	INV0004903	EMPLOYER CONTRIBUTION		260-20360	485.10	
	INV0004903	EMPLOYER CONTRIBUTION		261-20360	228.37	
	INV0004903	EMPLOYER CONTRIBUTION		285-20360	627.80	
DFT0000992	10/1/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM			7,215.57
	INV0004904	PERS- NEW EMPLY CONTRB		100-20399	4,764.25	
	INV0004904	PERS- NEW EMPLY CONTRB		200-20399	498.29	
	INV0004904	PERS- NEW EMPLY CONTRB		203-20399	305.20	
	INV0004904	PERS- NEW EMPLY CONTRB		205-20399	281.18	
	INV0004904	PERS- NEW EMPLY CONTRB		210-20399	328.53	
	INV0004904	PERS- NEW EMPLY CONTRB		215-20399	177.70	
	INV0004904	PERS- NEW EMPLY CONTRB		260-20399	314.22	
	INV0004904	PERS- NEW EMPLY CONTRB		261-20399	130.00	
	INV0004904	PERS- NEW EMPLY CONTRB		285-20399	416.20	
DFT0000993	10/1/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM			712.08
	INV0004905	EMPLOYEE PORTION		100-20360	658.70	
	INV0004905	EMPLOYEE PORTION		200-20360	15.25	
	INV0004905	EMPLOYEE PORTION		210-20360	7.63	
	INV0004905	EMPLOYEE PORTION		285-20360	30.50	
DFT0000994	10/1/2020	PERSYS-RETIRE	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM			34.00
	INV0004908	SURVIVORS LIFE INSURANCE		100-20350	24.89	
	INV0004908	SURVIVORS LIFE INSURANCE		200-20350	1.78	
	INV0004908	SURVIVORS LIFE INSURANCE		203-20350	1.12	
	INV0004908	SURVIVORS LIFE INSURANCE		205-20350	1.04	
	INV0004908	SURVIVORS LIFE INSURANCE		210-20350	1.31	
	INV0004908	SURVIVORS LIFE INSURANCE		215-20350	0.42	
	INV0004908	SURVIVORS LIFE INSURANCE		260-20350	1.16	
	INV0004908	SURVIVORS LIFE INSURANCE		261-20350	0.53	
	INV0004908	SURVIVORS LIFE INSURANCE		285-20350	1.75	
DFT0000995	10/1/2020	EMPLOY	EMPLOYMENT DEVELOPMENT DEPT			4,421.78
	INV0004911	STATE INCOME TAX		100-20310	3,105.76	
	INV0004911	STATE INCOME TAX		200-20310	264.80	
	INV0004911	STATE INCOME TAX		203-20310	172.66	
	INV0004911	STATE INCOME TAX		205-20310	154.60	
	INV0004911	STATE INCOME TAX		210-20310	149.57	
	INV0004911	STATE INCOME TAX		215-20310	106.62	
	INV0004911	STATE INCOME TAX		260-20310	172.79	
	INV0004911	STATE INCOME TAX		261-20310	27.99	
	INV0004911	STATE INCOME TAX		285-20310	266.99	
DFT0000996	10/1/2020	IRSPR	IRS PAYROLL TAX DEPOSIT			13,133.40
	INV0004912	FEDERAL WITHHOLDING		100-20300	9,276.53	

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Payment Amount / Item Amount
	INV0004912	FEDERAL WITHHOLDING		200-20300	783.70
	INV0004912	FEDERAL WITHHOLDING		203-20300	454.72
	INV0004912	FEDERAL WITHHOLDING		205-20300	398.73
	INV0004912	FEDERAL WITHHOLDING		210-20300	417.88
	INV0004912	FEDERAL WITHHOLDING		215-20300	262.65
	INV0004912	FEDERAL WITHHOLDING		260-20300	674.28
	INV0004912	FEDERAL WITHHOLDING		261-20300	111.15
	INV0004912	FEDERAL WITHHOLDING		285-20300	753.76
DFT0000997	10/1/2020	IRSPR	IRS PAYROLL TAX DEPOSIT		4,065.92
	INV0004913	MEDICARE TAX		100-20300	2,737.74
	INV0004913	MEDICARE TAX		200-20300	264.38
	INV0004913	MEDICARE TAX		203-20300	141.46
	INV0004913	MEDICARE TAX		205-20300	112.66
	INV0004913	MEDICARE TAX		210-20300	126.04
	INV0004913	MEDICARE TAX		215-20300	68.08
	INV0004913	MEDICARE TAX		260-20300	332.42
	INV0004913	MEDICARE TAX		261-20300	51.02
	INV0004913	MEDICARE TAX		285-20300	232.12
DFT0000998	10/1/2020	CPERS-HEALTH	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM		18,423.27
	INV0004914	10/20 RETIREES HEALTH INSURANCE		100-1135-51314	18,269.70
	INV0004914	10/20 CalPers Admin Fees		100-1135-51314	153.57
DFT0000999	10/1/2020	AFLAC	AFLAC		161.81
	INV0004893	EMPLOYEE LIFE ASSURANCE		100-20399	136.37
	INV0004893	EMPLOYEE LIFE ASSURANCE		260-20399	9.63
	INV0004893	EMPLOYEE LIFE ASSURANCE		261-20399	11.30
	INV0004893	EMPLOYEE LIFE ASSURANCE		285-20399	4.51
DFT0001000	10/1/2020	AFLAC	AFLAC		161.81
	INV0004819	EMPLOYEE LIFE ASSURANCE		100-20399	144.21
	INV0004819	EMPLOYEE LIFE ASSURANCE		260-20399	5.40
	INV0004819	EMPLOYEE LIFE ASSURANCE		261-20399	8.10
	INV0004819	EMPLOYEE LIFE ASSURANCE		285-20399	4.10
DFT0001001	10/1/2020	AFLAC	AFLAC		127.21
	INV0004820	EMPLOYEE INSURANCE		100-20399	94.09
	INV0004820	EMPLOYEE INSURANCE		260-20399	13.23
	INV0004820	EMPLOYEE INSURANCE		261-20399	19.89
DFT0001002	10/1/2020	AFLAC	AFLAC		127.21
	INV0004894	EMPLOYEE INSURANCE		100-20399	75.58
	INV0004894	EMPLOYEE INSURANCE		260-20399	23.83
	INV0004894	EMPLOYEE INSURANCE		261-20399	27.80
DFT0001011	10/1/2020	ICMARC	VANTAGEPOINT TRANSFER AGENTS-457		94.67
	INV0004898	EMPLOYEE LOAN REPYMT		100-20399	49.06
	INV0004898	EMPLOYEE LOAN REPYMT		210-20399	28.60
	INV0004898	EMPLOYEE LOAN REPYMT		261-20399	17.01
DFT0001012	10/1/2020	FTB	STATE OF CALIFORNIA FRANCHISE TAX BOARD		223.18
	INV0004897	PR WITHOLDING ORDER		100-20399	223.18
DFT0001013	10/1/2020	FTB	STATE OF CALIFORNIA FRANCHISE TAX BOARD		-223.18
	CM0000045	PR WITHOLDING ORDER		100-20399	-223.18
				Grand Total:	**2,313,524.97**

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL FUND	546,284.50
200 - GAS TAX FUND	31,981.96
202 - RMRA (SB 1)	291,261.70
203 - MEASURE M FUND	5,446.03
205 - MEASURE R FUND	194,268.80
210 - PROP A FUND	49,415.88
215 - PROP C FUND	157,583.62
260 - CDBG PROGRAM FUND	9,612.59
261 - CDBG CARES	89,055.54
262 - STATE CARES	27,630.15
275 - PEG ACCESS FUND	679.16
280 - MISCELLANEOUS GRANTS FUND	148,515.80
285 - LIGHTING & LANDSCAPE MAINTENANCE	155,394.93
500 - SEWER CONSTRUCTION/MAINTENANCE FUND	517,542.84
550 - EQUIPMENT REPLACEMENT FUND	6,164.88
555 - VEHICLE MAINTENANCE & REPLACEMENT FUND	80,976.59
600 - SPECIAL DEPOSIT FUND	1,710.00
Grand Total:	**2,313,524.97**

Account Summary

Account Number	Account Name	Payment Amount
100-1100-53111	Contract Services - Private	2,500.00
100-1100-53976	Special Departmental	327.69
100-1120-53976	Special Departmental	55.00
100-1130-53011	Operating Supplies	534.11
100-1130-53012	Small Tools & Equipment	131.90
100-1130-53111	Contract Services - Private	1,567.02
100-1130-53965	Financial Service Fees	625.07
100-1130-53971	Dues & Memberships	305.00
100-1135-51314	Health Insurance	18,423.27
100-1135-53406	Recruitment Expenses	35.00
100-1150-53011	Operating Supplies	1,029.62
100-1150-53715	Utility - Communications	1,074.15
100-1150-53811	Equipment Maintenance	557.42
100-1150-53813	Facility Maintenance	186.78
100-1150-53911	Equipment Lease/Rental	2,060.85
100-20300	FIT Payable	24,068.04
100-20310	SIT Payable	6,236.99
100-20320	Life Ins Payable	350.99
100-20330	LTD Payable	1,117.52
100-20340	PARS	3,402.55
100-20350	Group Insurance	51.54
100-20360	PERS	16,749.39
100-20380	Union Dues	547.69
100-20399	Other Payroll Deductions	42,866.47
100-2100-53113	Contract Services - Special…	4,125.43
100-2100-53715	Utility - Communications	196.77
100-2110-53011	Operating Supplies	156.45
100-2110-53015	Uniform/Boot Reimburse…	70.36
100-2110-53111	Contract Services - Private	147.84
100-2110-53114	Legal Services	1,571.87
100-2110-53715	Utility - Communications	1,233.51
100-2130-53011	Operating Supplies	815.65
100-2130-53112	Contract Services - Public	935.81
100-3100-53012	Small Tools & Equipment	326.82
100-3100-53715	Utility - Communications	1,227.06
100-3110-53111	Contract Services - Private	540.00

Account Summary

Account Number	Account Name	Payment Amount
100-3110-53120	Engineering Permits	21,204.95
100-3110-53121	Industrial Waste Inspecti…	2,553.36
100-3310-53111	Contr Svc - Private - B&S F…	146,585.99
100-3320-53111	Contract Services - Private	284.75
100-3330-53011	Operating Supplies	23.05
100-3330-53012	Small Tools & Equipment	35.39
100-3330-53111	Contract Services - Private	1,175.00
100-3330-53811	Equipment Maintenance	671.60
100-3330-53822	Park Maintenance & Repa…	80.00
100-4100-53011	Operating Supplies	953.47
100-4100-53111	Contract Services - Private	1,820.00
100-4100-53112	Contract Services - Public	104.10
100-4100-53711	Utility - Gas	15.80
100-4100-53714	Utility - Water	1,370.76
100-4100-53715	Utility - Communications	41.97
100-4100-53811	Equipment Maintenance	499.89
100-4100-53813	Facility Maintenance	110.00
100-4110-53712	Utility - Electricity	4,862.46
100-4110-53714	Utility - Water	1,370.76
100-4110-53976	Special Departmental	1,470.50
100-4130-53012	Small Tools & Equipment	198.94
100-4130-53715	Utility - Communications	110.78
100-4130-53811	Equipment Maintenance	940.00
100-4130-53813	Facility Maintenance	90.00
100-4130-53961	Subscriptions & Publicati…	4.95
100-4140-53415	Community Outreach	2,993.55
100-4140-53976	Special Departmental	58.22
100-42110	Bldg & Safety Permits	380.97
100-42140	Animal License Fees	50.00
100-47110	Building Plan Check Fees	139.66
100-48900	Miscellaneous	60,612.00
100-5596-59300	Construction Costs	159,320.00
200-20300	FIT Payable	1,994.57
200-20310	SIT Payable	505.27
200-20320	Life Ins Payable	27.93
200-20330	LTD Payable	110.35
200-20340	PARS	368.19
200-20350	Group Insurance	3.37
200-20360	PERS	1,492.06
200-20380	Union Dues	49.85
200-20399	Other Payroll Deductions	3,869.19
200-3120-53012	Small Tools & Equipment	25.27
200-3120-53016	Graffiti Removal Supplies	317.23
200-3120-53111	Contract Services - Private	500.00
200-3120-53713	Utility - Hwy Lights	389.33
200-3120-53714	Utility - Water	5,794.51
200-3120-53814	Landscape Maintenance	435.00
200-3120-53815	Parkway Tree Maintenan…	10,664.68
200-3120-53819	Signal Maintenance	4,007.07
200-3120-53821	Traffic Markings/Signs	1,428.09
202-20220	Retention Payable	-15,663.91
202-5510-59300	Construction Costs	306,925.61
203-20300	FIT Payable	1,102.96
203-20310	SIT Payable	313.43
203-20320	Life Ins Payable	16.79
203-20330	LTD Payable	65.88
203-20340	PARS	118.79
203-20350	Group Insurance	2.13

Account Summary

Account Number	Account Name	Payment Amount
203-20360	PERS	838.27
203-20380	Union Dues	16.90
203-20399	Other Payroll Deductions	2,455.88
203-5590-59300	Construction Costs	515.00
205-20220	Retention Payable	-10,000.00
205-20300	FIT Payable	923.38
205-20310	SIT Payable	275.22
205-20320	Life Ins Payable	15.48
205-20330	LTD Payable	60.85
205-20340	PARS	2.30
205-20350	Group Insurance	1.91
205-20360	PERS	762.79
205-20380	Union Dues	10.34
205-20399	Other Payroll Deductions	2,216.53
205-5510-59300	Construction Costs	200,000.00
210-20300	FIT Payable	1,032.99
210-20310	SIT Payable	284.13
210-20320	Life Ins Payable	20.76
210-20330	LTD Payable	72.15
210-20340	PARS	2.30
210-20350	Group Insurance	2.43
210-20360	PERS	949.54
210-20380	Union Dues	51.28
210-20399	Other Payroll Deductions	3,073.95
210-3130-53415	Community Outreach	1,282.95
210-3130-53916	Dial-A-Ride Services	7,176.14
210-3130-53917	Fixed Route Shuttle	36,849.01
210-46100	Dial-A-Ride Fares	-28.00
210-46105	Shuttle Fares	-1,353.75
215-20220	Retention Payable	-8,161.86
215-20300	FIT Payable	640.18
215-20310	SIT Payable	207.42
215-20320	Life Ins Payable	6.53
215-20330	LTD Payable	39.18
215-20340	PARS	2.30
215-20350	Group Insurance	0.77
215-20360	PERS	399.98
215-20380	Union Dues	5.53
215-20399	Other Payroll Deductions	1,206.35
215-5587-59300	Construction Costs	163,237.24
260-20300	FIT Payable	1,967.75
260-20310	SIT Payable	339.11
260-20320	Life Ins Payable	18.52
260-20330	LTD Payable	67.00
260-20340	PARS	1,088.83
260-20350	Group Insurance	2.11
260-20360	PERS	875.41
260-20380	Union Dues	44.68
260-20399	Other Payroll Deductions	4,126.19
260-3320-53012	Small Tools & Equipment	1,082.99
261-20300	FIT Payable	303.92
261-20310	SIT Payable	55.26
261-20320	Life Ins Payable	8.10
261-20330	LTD Payable	27.08
261-20350	Group Insurance	0.98
261-20360	PERS	411.34
261-20380	Union Dues	10.98
261-20399	Other Payroll Deductions	1,354.55

Account Summary

Account Number	Account Name	Payment Amount
261-3320-53111	Contract Services-Private	8,325.90
261-3320-53981	Grants & Loans - Commer…	78,557.43
262-3320-53011	Operating Supplies	2,652.45
262-3320-53111	Contract Services-Private	24,977.70
275-1125-53998	Furniture/Office Equipme…	679.16
280-5594-59300	Construction Costs	148,515.80
285-20220	Retention Payable	-4,148.43
285-20300	FIT Payable	2,027.33
285-20310	SIT Payable	553.48
285-20320	Life Ins Payable	27.90
285-20330	LTD Payable	96.75
285-20340	PARS	301.66
285-20350	Group Insurance	3.76
285-20360	PERS	1,362.37
285-20380	Union Dues	99.75
285-20399	Other Payroll Deductions	3,745.34
285-3330-53111	Contract Services - Private	45,160.18
285-3330-53715	Utility - Communications	41.14
285-3330-53813	Facility Maintenance	823.00
285-3330-53814	Landscape Maintenance	24.59
285-3330-53822	Park Maintenance & Repa…	5,120.37
285-5595-59300	Construction Costs	100,155.74
500-20220	Retention Payable	-12,653.83
500-5580-59300	Construction Costs	12,286.67
500-5595-59300	Construction Cost	517,910.00
550-6100-53017	Software & Licensing	1,253.74
550-6100-53018	Computer Hardware & Su…	3,097.35
550-6100-53111	Contract Services - Private	1,813.79
555-3150-53014	Fuel	471.03
555-3150-53812	Vehicle Maintenance	3,402.45
555-3150-54484	Vehicle Purchase	77,103.11
600-20230	Refundable Special Deposi..	1,710.00
	Grand Total:	**2,313,524.97**

Project Account Summary

Project Account Key		Payment Amount
None		2,187,807.30
30221E		284.75
31121E		1,082.99
61421E		1,470.50
69420E		401.43
69421E		5,859.25
69720E		84.41
69721E		4,673.31
70421E		33,303.60
70521E		78,557.43
	Grand Total:	**2,313,524.97**

City of La Puente

AGENDA REPORT

To: Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: John Di Mario, Development Services Director
Juan Galvan, Assistant Planner

SUBJECT: CONSIDERATION OF A LICENSE AGREEMENT BETWEEN THE CITY OF LA PUENTE AND JESUS RODRIGUEZ FOR THE USE OF CITY PROPERTY LOCATED AT THE INTERSECTION OF VALLEY BOULEVARD AND OLD VALLEY BOULEVARD FOR HOLIDAY SALES

BACKGROUND

Over the past several years, the City Council has approved a License Agreement between the City and Julian Blandino for property located at the southeast corner of Valley Boulevard and Old Valley Boulevard for seasonal holiday sales. However, this holiday season, Mr. Blandino will step down, and his associate, Jesus Rodriguez, has assumed responsibility of the business and is requesting the use of the City's property for holiday sales.

Mr. Rodriguez has worked alongside Mr. Blandino for the past several holiday seasons gaining the experience required to operate his own business in the future. This holiday season, Mr. Blandino has decided to retire, and Mr. Rodriguez is assuming all operations of the business having gained the work experience working alongside Mr. Blandino. Mr. Rodriguez will operate his own business starting this holiday season, Tahoe Christmas Trees, to continue to provide holiday retail services to the community.

The City's property is adjacent to and surrounds the privately-owned parcel of land at this intersection. Mr. Rodriguez plans to utilize the private lot and portions of the City's property to sell Christmas trees from the day after Thanksgiving through Christmas day. Mr. Rodriguez has elected to not sale pumpkins for Halloween this year.

DISCUSSION

The attached License Agreement ("Agreement") has been prepared to allow Mr. Rodriguez use of the City's property for the seasonal holiday sales discussed above. The Agreement requires that Mr. Rodriguez provide the required types and amounts of insurance, indemnify the City, remove any existing trash, weeds, and debris on the property and repair any damage that might have occurred upon using the property. Also, the Agreement requires payment of $1,803.53 for the use of the City's property. The term of the Agreement ends on December 31, 2020. The City will review and approve the site plan for the seasonal holiday sales before the set-up and installation of the temporary structures.

FISCAL IMPACT

Payment to the City of $1,803.53 for consideration of use of the City's property, which is an increase of 3% or $52.53 from the previous year.

RECOMMENDATION

It is recommended that the City Council: (1) approve the License Agreement with Jesus Rodriguez; and (2) authorize the City Manager to execute the License Agreement on behalf of the City.

ATTACHMENT

Attachment "A": License Agreement

LICENSE AGREEMENT

This LICENSE AGREEMENT ("Agreement") is entered into this 13th day of October, 2020 ("Effective Date"), by and between Jesus Rodriguez, an individual ("Licensee") and the City of La Puente, a public body corporate and politic ("City"). Licensee and City are collectively referred to herein as "Parties" and individually as "Party."

RECITALS

WHEREAS, the City is the owner of that certain real property located generally at the southeast corner of Valley Boulevard and Old Valley Boulevard, in the City of La Puente, California (the "Property"). The Property more particularly described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, Licensee desires to utilize the Property for the operation of a Christmas tree farm; and

WHEREAS, City desires to allow Licensee to utilize the Property for the aforesaid uses, in exchange for Licensee removing debris from the Property and weed abatement, and improving the overall aesthetics of the Property; and

WHEREAS, in order to utilize the Property, it is necessary for the City to grant Licensee a license to enter the Property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement, the Parties do hereby agree as follows:

TERMS

1. Grant of License; No Leasehold or Property Rights Created. City hereby grants to Licensee a revocable license to use the Property for the sole purpose of operating a pumpkin patch and Christmas tree farm (the "Permitted Activity") undertaken in compliance with any and all requirements of the City's Municipal Code. This Agreement is not intended to nor shall it be interpreted to create or vest in Licensee any leasehold or any other property rights or interests in the Property or any part thereof. Prior to any initial entry pursuant to the Agreement, Licensee shall, provide to City proof of insurance as set forth in Section 8 of this Agreement. Licensee shall not permit any other party, except the duly-authorized representatives, agents, employees and contractors (collectively "**Representatives**") of Licensee, to enter or use the Premises during the term of this License, without the City's prior written consent, and in all events the sole reason for entry and use of the Premises shall be for the performance of the Permitted Activity.

2. Payment. Licensee shall pay City, and City shall accept, One Thousand Eight Hundred Three Dollars and Fifty-Three cents ($1,803.53) ("License Payment") for the use of the Premises. License Payment shall be due upon execution of the Agreement by Licensee.

3. Term. This Agreement shall commence on the Effective Date and terminate on December 31, 2020. In the event Licensee is in default of any provision herein, City has the right to terminate this Agreement immediately upon written notice to Licensee. Upon termination of the Agreement, Licensee shall promptly vacate the Premises and comply with the provisions of Section 4 below. No termination or expiration of this License shall relieve Licensee of its obligations hereunder.

4. Maintenance of Premises. Licensee shall be responsible for performing Permitted Activity in a good and workmanlike manner. Upon termination of the License, Licensee shall repair any damage done to the Premises by Licensee or it's duly authorized Representatives, and shall restore the Premises to its condition as of the Effective Date of this Agreement.

5. Government Regulations and Other Obligations of Licensee. As a condition precedent to commencement of the Permitted Activity, if required, Licensee shall obtain at its sole cost and expense all governmental permits and authorizations of whatever nature required, if any by any and all governmental authorities having jurisdiction over the Property for Licensee's performance of the Permitted Activity. Licensee shall, in all activities undertaken pursuant to this Agreement, comply and cause its Representatives to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees.

6. Liens.

6.1 Licensee shall not cause or permit to be filed, recorded or enforced against the Property, or any part thereof, any mechanics', material men's, contractors' or subcontractors' liens arising from the Permitted Activity or any claim or action affecting the title to the Property arising from the Permitted Activity, and Licensee shall pay or cause to be paid, or otherwise removed or bonded over, the full amount of all such liens or claim within fifteen (15) days of receiving written notice thereof. In addition to and not in limitation of the City's other rights and remedies under this Agreement or under law, should Licensee fail within fifteen (15) business days of a written notice from the City to pay and discharge or bond over any lien arising out of Licensee's use of the Property, then a material breach under this Agreement shall be deemed to have occurred which, at the City's election, shall entitle the City to terminate this Agreement effective upon notice by the City to Licensee so stating.

6.2 If Licensee desires to contest in good faith the validity of any lien or any claim or demand that could result in a lien against the Property or any portion thereof for which the City could become liable if not successfully resolved, as a condition to such contest, Licensee shall notify the City of Licensee's intent to contest the lien or claim and the grounds for such contest. Notwithstanding anything to the contrary set forth herein, Licensee shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against the City or the Property.

7. Indemnification. Licensee hereby agrees to indemnify, defend (with counsel approved by the City), assume all liability for and hold harmless the City and its officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to property, environmental claims or injuries to persons (including attorneys' fees), which may be caused by Licensee's activities pursuant to this Agreement or arising out of or in connection with such activities, whether such activities or performance thereof is by Licensee or anyone directly or indirectly employed or under contract with Licensee and whether such damage or claim shall accrue or be discovered before or after the termination of this Agreement. Licensee's obligations set forth in this Section shall survive the expiration or earlier termination of this Agreement.

8. Insurance. Prior to commencing any activities under this Agreement, Licensee shall procure (or cause to be procured) and keep in full force and effect during the life of this Agreement, at Licensee's sole cost and expense, all of the following types of insurance, in accordance with the other provisions of this Section:

Type of Insurance Policy	Limits
Personal Adv. Injury	$1 million each occurrence
Property Damage	$3,000,000
Products--Comp/Op Agg.	$1,000,000 each occurrence
General Aggregate	$2,000,000
Excess Liability--Umbrella	$1,000,000 each occurrence
Comprehensive General Liability:	$2,000,000 (see Section 8.G. below)
Workers Compensation:	Statutory (see Section 8.F. below)
Automobile Liability	$1,000,000 each occurrence

For purposes of this Agreement, the foregoing insurance shall be referred to herein as "Required Insurance."

A. Qualifications of Insurers; Deductibles. All of the Required Insurance shall be issued by an admitted insurer or insurers as defined by the California Insurance Code with a Bests' rating of no less than A:VII. The deductibles under each of the policies issued for the Required Insurance shall be reasonable in amount and in no event shall exceed the sum of Ten Thousand Dollars ($10,000.00) under each such policy.

B. Additional Insured; Form of Endorsement. All such Insurance Policies (including those of Licensee's Representatives) will be required to name the City and its respective directors, officers, employees, agents and representatives as additional insureds by way of an endorsement. Such endorsement shall be a form of endorsement which is at least as broad as Additional Insured-Owners, Lessors, or Contractors Form B (CG20101185) as published by Insurance Services Office, Inc.

C. Cancellation Provisions and Other Matters. All of the Required Insurance shall provide (by way of endorsement or otherwise) that no cancellation, expiration, reduction or modification in such Required Insurance can occur or be implemented without first giving the City at least thirty (30) days prior written notice of such cancellation, expiration, reduction or modification. The City shall not be liable for the payment of any premiums for the Required Insurance.

D. Primary Insurance Endorsement. All Required Insurance shall contain an endorsement providing that such insurance is primary and that any insurance maintained by the City and/ is noncontributory with the Required Insurance. All Required Insurance shall contain language to the effect that any loss shall be payable notwithstanding any act or negligence of the City that might otherwise result in the forfeiture of the Required Insurance.

E. Waiver of Subrogation. All such Required Insurance shall also contain an endorsement providing for a waiver of subrogation against the City by Licensee.

F. Worker's Compensation. This policy or policies shall cover the entire liability of Licensee to employees as determined by California law. The policy shall contain a waiver of subrogation against the City.

G. Comprehensive General Liability. $2,000,000.00 combined single limit per event and annual aggregate for bodily injury and property damage liability arising out of the Permitted Activity performed under this Agreement.

H. Certificates of Insurance. Prior to the commencement of the services set forth in this Agreement, Licensee shall provide to the City certificates of insurance evidencing the obtaining of the Required Insurance as provided in this Section.

9. Inspection. The City and any of its duly authorized representatives, employees, agents or independent contractors shall be entitled to enter and inspect the Property or any portion thereof, and observe and inspect the Permitted Activity at any time and from time to time, provided such entry or inspection does not impair, interfere with or delay the Permitted Activity.

10. Assignability. This Agreement cannot be assigned by Licensee whether voluntarily or by operation of law, and Licensee shall not permit any use of the Property, or any part thereof during the Term of this Agreement in violation of the provisions of this Agreement, except with the consent of the City (which shall not be unreasonably withheld, conditioned or delayed), and any attempt to do so shall be null and void.

11. Cost of Enforcement. In the event it is necessary for either Party to employ an attorney or other person or commence an action to enforce or interpret any of the provisions of this Agreement or for the City to remove Licensee from the Premises, the non-prevailing party agrees to pay to the prevailing party, in addition to such other relief as may be awarded by the court, agency or other authority before which such suit or proceeding is commenced, all reasonable costs of enforcement in connection therewith including, but not limited to, reasonable attorneys' fees, expenses and costs of investigation.

12. Notices. All notices, consents, approvals, requests, demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given upon the earlier of when personally delivered or served or twenty-four (24) hours after being deposited with FedEx or any other established overnight courier service to the intended party addressed as follows:

City:	Bob Lindsey City Manager 15900 East Main Street La Puente, CA 91744 Tel: (626) 855-1501 blindsey@lapuente.org
With a Copy to:	James M. Casso, City Attorney Casso & Sparks, LLP 13300 Crossroads Parkway North, Suite 410 City of Industry, CA 91746 Tel: (626) 269-2980
Licensee:	Jesus Rodriguez 14426 Frankton Avenue Hacienda Heights, CA 91745 Tel: (503) 226-1422 Mobile: (626) 536-7607 Fax: (503) 226-2488

13. Miscellaneous. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations and understandings of the Parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The indemnifications under this Agreement, the obligations of Licensee hereunder to remove liens and Licensee's obligations hereunder with respect to vacating and repairing the Property shall survive the expiration or termination of the Agreement. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. Any action brought concerning this Agreement shall be brought in the appropriate court for the County of Los Angeles, California. Each Party hereby irrevocably consents to the jurisdiction of said court. Licensee hereby expressly waives all provisions of law providing for a change of venue due to the fact that City may be a party to such action, including, without limitation, the provisions of California Code of Civil Procedure Section 394. Licensee further waives and releases any right it may have to have any action concerning this Agreement transferred to Federal District Court due to any diversity of citizenship that may exist between Licensee and City. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. Neither this instrument nor a short form memorandum or assignment hereof shall be filed or recorded in any public office without the City's or Licensee's prior written consent.

14. Authority. Each person executing this Agreement hereby represents and warrants (i) their authority to do so, and (ii) that such authority has been duly and validly conferred.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

"CITY" **City of La Puente**	**"LICENSEE"**
By:________________________________ Bob Lindsey, City Manager	By:__________________________ Jesus Rodriguez

Attest:

By:______________________________

Sheryl Garcia, City Clerk

Approved as to form:

By:_________________________________

James M. Casso, City Attorney

EXHIBIT A

Property Description

That portion of Valley Boulevard, in the City of La Puente, County of Los Angeles, State of California, as shown on Tract No. 20807, as per Map recorded in book 548 pages 16 and 17 of Maps, Records of said County, bounded as follows:

Southerly by the Southwesterly line of Valley Boulevard, variable width, also being the Northeasterly line of the S.P.R.R. Railroad, as sown on said Map;

Northwesterly by the Southwesterly prolongation of the Northwesterly line of Lot 27 of said Tract No. 20807;

Northeasterly by a curve concave Northeasterly having a radius of 2080.00 feet and which is concentric with the curved centerline of Valley Boulevard, having a radius of 2000.00 feet, as shown on said Map.

City of La Puente
AGENDA REPORT

To: Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: John Di Mario, Development Services Director

SUBJECT: CONSIDERATION OF AMENDMENT NO. 2 TO THE MAINTENANCE SERVICES AGREEMENT WITH TANKO LIGHTING, INC. FOR STREET LIGHT MAINTENANCE TO EXTEND THE TERM

BACKGROUND

On September 24, 2018, the City entered into a Maintenance Services Agreement ("Maintenance Agreement") with Tanko Lighting, Inc. ("Tanko") to maintain City-owned street lights as part of the street light acquisition and conversion projec. The Maintenance Agreement was signed by the then City Manager pursuant to Section 2.08.060 (q) and Resolution No. 18-5407 in the amount of $19,512.00 for a term of one (1) year. This Maintenance Agreement provides for a term which expired on September 30, 2019, with the City having an option to extend the agreement for two (2) additional one-year terms.

The Maintenance Agreement provides for Tanko to perform administrative functions which include the operation of the call center, website for reporting outages, tracking outage reports, reporting to the City, and dispatch for call-outs at the cost of $1.00 per pole per month. Any actual on-site routine and/or emergency call-out repairs are invoiced on a time and materials basis per the rate schedule in the Maintenance Agreement.

At the City Council Meeting of November 12, 2019, the City Council approved Amendment No. 1 to the Maintenance Agreement with Tanko to extend the term an additional year.

DISCUSSION

Provided as Attachment A is Amendment No. 2 to the Maintenance Agreement which extends the term of the Agreement to December 31, 2021. The basic rate of $1.00 per pole per month remains the same for the additional year of the Maintenance Agreement as well as the hourly rate schedule for time and materials.

The City has found Tanko to be prompt and attentive to any outage reports and particularly helpful with technical knowledge and practical recommendations for remedies to ongoing in-field matters and responding to emergency call out services. In addition, Tanko's administrative and project coordination staff is very professional and highly responsive to the needs of the City.

FISCAL IMPACT

Funding for the on-going maintenance services of the City's street lighting system is included in the Fiscal Year 2020-21 Landscaping and Lighting District Fund.

RECOMMENDATION

It is recommended that the City Council: (1) approve Amendment No. 2 to the Maintenance Services Agreement with Tanko Lighting, Inc.; and (2) authorize the City Manager to execute the Amendment on behalf of the City.

ATTACHMENTS

Attachment "A": Amendment No. 2 to the Maintenance Services Agreement

AMENDMENT NO. 2

TO THE MAINTENANCE SERVICES AGREEMENT

WITH TANKO STREETLIGHTING, INC.

This Amendment No. 2 to the Maintenance Services Agreement ("Agreement") is made and entered into this 13th day of October, 2020, ("Effective Date") by and between the City of La Puente, a California municipal corporation ("City"), and Tanko Streetlighting, Inc., a California Corporation ("Contractor").

RECITALS

WHEREAS, on September 24, 2018, a Maintenance Services Agreement ("Agreement") was entered into between the City and Contractor, to provide all labor, materials, equipment, tools, utility services and transportation and perform and complete all work required in connection with the La Puente Street Light Maintenance Project ("Project"); and

WHEREAS, on November 12, 2019, Amendment No. 1 was approved by the City and Contractor to amend the Term of the Agreement; and

WHEREAS, to allow Contractor to continue providing street light maintenance services to the City, the City and Contractor desire to extend the term of the Agreement; and

WHEREAS, for the reasons set forth herein, City and Contractor desire to enter into this Amendment No. 2 to the Maintenance Services Agreement ("Amendment No. 2") and have agreed to amend Article 1 (Term) as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit 1, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

The first sentence of Section 1, Term, is hereby amended to read as follows:

Section 1. TERM:

> This Agreement shall commence on the Effective Date, and shall remain and continue in effect until December 31, 2021, unless sooner terminated pursuant to the provisions of this Agreement.

IN WITNESS WHEREOF, the City and Contractor have executed this Amendment No. 2 to the Agreement as of the Effective Date.

"CITY" City of La Puente	**"CONTRACTOR"** Tanko Streetlighting, Inc.
By: ________________________________ Bob Lindsey, City Manager	By: ________________________________ Jason Tanko, Chief Executive Officer

Attest:

By: ______________________________
Sheryl Garcia, City Clerk

APPROVED AS TO FORM

By: ________________________________
James M. Casso, City Attorney

City of La Puente
AGENDA REPORT

To: Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: John Di Mario, Development Services Director

SUBJECT: CONSIDERATION OF AUTHORIZATION TO SOLICIT BIDS FOR BASEBALL FIELD FENCING AT LA PUENTE PARK

BACKGROUND

At the City Council meeting of September 8, 2020, the Council awarded a contract to Harris Steel Fence Company, Inc. ("Harris") for new black polyvinyl chloride (vinyl) coated posts and chain link fence fabric for the new relocated "west" softball field; and removing the existing galvanized (gray) chain link fencing on the "east" softball field to be replaced with the new vinyl coated black fence fabric.

The amount of the contract for Harris is $93,219.00. When the contract to Harris was awarded, Staff informed the City Council that a separate contract would be bid out to replace and upgrade the existing gray chain link fencing at the baseball fields at La Puente Park.

DISCUSSION

The fencing project at the baseball fields consists of the removal of all galvanized chain link fence material, new black vinyl coated fencing fabric, the sleeving of the existing galvanized posts with new black vinyl coated posts, new black vinyl coated horizontal fence rails, and the replacement of 4 existing posts with new 26 foot black vinyl posts at the backstop on Ayala Field.

The project will also include a permanent and temporary outfield fence for the two softball fields that was not part of the project scope of Harris.

The following is the proposed schedule for the implementation of the project:

October 13, 2020	Authorization to Solicit Bids
November 2, 2020	Bid Opening
November 10, 2020	Award of Contract
November 23, 2020	Begin Construction (Estimated)
December 31, 2020	Project Completion (Estimated)

FISCAL IMPACT

Funding for this portion of the Project is available from a combination of State Grant Funds and the General Fund that has already been set-aside for this Project.

RECOMMENDATION

It is recommended that the City Council: (1) approve the plans and specifications for Baseball Field Fencing at La Puente Park; and (2) authorize Staff to solicit for bids.

ATTACHMENTS

Attachment "A": Bid Specifications and Plans (on file in the City Clerk's Office for public review)

City of La Puente
AGENDA REPORT

To:	Mayor and City Council	For meeting of: October 13, 2020
From:	Bob Lindsey, City Manager	
By:	John Di Mario, Development Services Director	
SUBJECT:	CONSIDERATION OF APPROVAL OF LOS ANGELES COUNTY FLOOD CONTROL DISTRICT (LACFCD) TRANSFER AGREEMENT FOR THE SAFE, CLEAN WATER PROGRAM (MEASURE W)	

<u>BACKGROUND</u>

On October 9, 2017, Assembly Bill ("AB") 1180 (Holden) was signed into law, which amended the Los Angeles County Flood Control Act and authorized the District to levy a tax to pay the costs and expenses of carrying out projects and programs to increase stormwater capture and reduce stormwater and urban runoff pollution in the District subject to voter approval. Thereafter, AB 1180 was amended into Measure W and was submitted to the voters of Los Angeles County. Funding in Measure W is provided through a parcel tax of 2.5 cents per square foot of impenetrable land area (buildings, concrete, etc.).

On November 6, 2018, Los Angeles County voters approved Measure W for the purpose of funding the Safe, Clean Water Program ("SCWP") projects and programs to increase stormwater and urban runoff capture and reduce runoff pollution. The tax revenues will be used to fund three SCWP programs: District Program (10% of revenues), Regional Program (50% of revenues) and Municipal Program (40% of revenues).

The Regional Program is based on area revenues collected from, and distributed to, nine Watershed Areas. La Puente is located in the Upper San Gabriel River ("USGR") Watershed Area, which is expected to receive $18.9 Million annually, for competitive projects within the watershed.

The Municipal Program will receive 40% of the total SCWP revenues, based on the amount collected within each municipality. Municipalities must enter into an agreement with the LACFCD to transfer SCWP funds to each respective city.

On June 9, 2020, the Los Angeles County Board of Supervisors approved the Transfer Agreement (Attachment "A") that is to be implemented between the County and the municipality which outlines the requirements; annual plan; general terms and conditions; special conditions; Nature Based Solutions ("NBS") Best Management Practices and Operations and Maintenance Guidance in order to maintain funding eligibility.

DISCUSSION

The City is expected to receive $340,000 annually from the Municipal Program, with the first distribution occurring in Fiscal Year 2020/2021. No less than seventy percent (70%) of the funds ($238,000) must be used on new stormwater projects and programs, and up to thirty percent (30%) of the funds ($102,000) can be used on existing programs that are already in place.

The City's annual expenditure plan for the ensuing Fiscal Year will be due 45 days from execution of the Transfer Agreement and then in the 90-day period prior to the start of each subsequent Fiscal Year. Audit reports are due six (6) months after the end of the third Fiscal Year and progress reports are due annually, six (6) months after the close of the Fiscal Year.

SCWP projects and programs are encouraged to include nature-based solutions that utilize natural processes to slow, detain, infiltrate or filter stormwater and/or urban runoff. Methods may include relying predominantly on soils and vegetation; increasing permeability; creating rain gardens, bioswales, and parkway basins; enhancing soil through composting, mulching; and planting trees and vegetation. Projects may also be designed to provide additional benefits such as sequestering carbon, supporting biodiversity, providing shade, creating and enhancing parks and open space.

Eligible Measure W expenditures also include the operations and maintenance associated with infrastructure projects to deliver stormwater and urban runoff benefits such as litter control, vegetation maintenance, wildlife management, facility inspection, irrigation system management, erosion management and control, ongoing monitoring activities, and vector and nuisance insect control.

FISCAL IMPACT

For the Fiscal Year ("FY") 2020-21 budget, the City has established a new fund to account for the revenues and expenditures associated with Measure W funds. For FY 2020-21, $150,000 has been budgeted.

RECOMMENDATION

It is recommended that the City Council: (1) approve the Los Angeles County Flood Control District Transfer Agreement for the Safe, Clean Water Program – Municipal Program; and (2) authorize the City Manager to execute the Agreement on behalf of the City.

ATTACHMENTS

Attachment "A": Los Angeles County Flood Control District Transfer Agreement

TRANSFER AGREEMENT BETWEEN THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AND LA PUENTE AGREEMENT NO. 2020MP41 SAFE, CLEAN WATER PROGRAM – MUNICIPAL PROGRAM

This Transfer Agreement, hereinafter referred to as “Agreement,” is entered into as of June 25, 2020 by and between the Los Angeles County Flood Control District, hereinafter referred to as "District," and La Puente, hereinafter referred to as "Municipality."

WHEREAS, District, pursuant to the Los Angeles Region Safe, Clean Water (SCW) Program ordinance (Chapter 16 of the Los Angeles County Flood Control District Code) and the SCW Program Implementation Ordinance (Chapter 18 of the Los Angeles County Flood Control District Code), administers the SCW Program for the purpose of funding Projects and Programs to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District;

WHEREAS, pursuant to Section 16.04.A.2. of the Los Angeles County Flood Control District Code, forty percent (40%) of annual SCW Program tax revenues shall be allocated to Municipalities within the District, in the same proportion as the amount of revenues collected within each Municipality, to be expended by those cities within the cities' respective jurisdictions and by the County within the unincorporated areas that are within the boundaries of the District, for the implementation, operation and maintenance, and administration of Projects and Programs, in accordance with the criteria and procedures established in this Chapters 16 and 18 of the Los Angeles County Flood Control District Code;

WHEREAS, pursuant to Section 16.05.A.1. of the Los Angeles County Flood Control District Code, prior to their receipt of SCW Program funds, Municipalities must enter into an agreement with the District to transfer SCW Program funds;

WHEREAS, the County of Los Angeles Board of Supervisors has approved a standard template Agreement, as required by and in accordance with Section 18.09 of the Los Angeles County Flood Control District Code, for the transfer of SCW Program funds to Municipalities.

NOW, THEREFORE, in consideration of the promises, mutual representations, covenants and agreements in this Agreement, the District and the Municipality, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

I. DEFINITIONS

The definitions set forth in Sections 16.03 and 18.02 of the Los Angeles County Flood Control District Code shall apply to this Agreement. In addition, the following definitions shall also apply:

ATTACHMENT A

“Agreement” means this Transfer Agreement, including all exhibits and attachments hereto.

“Annual Plan” means the plan referred to in Section 18.09.B.5 of the Code that includes the contents specified in Exhibit A.

"Code" means the Los Angeles County Flood Control District Code.

“Days” means calendar days unless otherwise expressly indicated.

“Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.

“Safe Clean Water (SCW) Program Payment” means the Municipality's annual allocation of SCW Program funds as described in Section 16.04.A.2. of the Code disbursed by the District to the Municipality.

“Year” means calendar year unless otherwise expressly indicated.

II. PARTY CONTACTS

The District and the Municipality designate the following individuals as the primary points of contact and communication regarding the Municipal Program and the administration and implementation of this Agreement.

Los Angeles County Flood Control District		Municipality: La Puente	
Name:		Name:	
Address:		Address:	
Phone:		Phone:	
Email:		Email:	

Either party to this Agreement may change the individual identified as the primary point of contact above by providing written notice of the change to the other party.

III. EXHIBITS INCORPORATED BY REFERENCE

The following exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement:

EXHIBIT A – ANNUAL PLAN CONTENTS

EXHIBIT B – GENERAL TERMS AND CONDITIONS

EXHIBIT C – NATURE-BASED SOLUTIONS (Best Management Practices)

EXHIBIT D – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

IV. MUNICIPAL PROGRAM IMPLEMENTATION

A. The Municipality shall annually prepare and submit to the District, an Annual Plan. The Annual Plan for the 2020-21 Fiscal Year shall be submitted to the District no later than 45-days after the execution of this Agreement by the last party to sign. An Annual Plan for each subsequent Fiscal Year shall be submitted not later than 90-days prior to the start of the Fiscal Year for which the Plan is prepared.

B. The Municipality shall utilize the SCW Program Payments in compliance with Chapters 16 and 18 of the Code.

C. The Municipality shall comply with the terms and conditions in Exhibits B, C, and D, of this Agreement, and all applicable provisions of Chapters 16 and 18 of the Code, specifically including, without limitation, Section 18.06.

V. SCW PROGRAM PAYMENTS TO MUNICIPALITIES

A. The District shall disburse the Municipality's SCW Program Payment for the 2020-21 Fiscal Year within 45-days of the signed executed Agreement or within 14-days of the District's receipt of the Annual Plan for 2020-21 Fiscal Year in compliance with Exhibit A, whichever comes later. The initial disbursement of SCW Program Payments shall include the amount of revenue collected by the District at the time of Agreement execution; any additional funds that are subsequently collected will be disbursed by August 31, 2020.

B. SCW Program Payments in subsequent Fiscal Years will generally be available for disbursement by August 31, provided a duly executed transfer agreement is in effect and subject to the Municipality's compliance with the conditions described in paragraph C, below; however the District may, in its discretion, change the date and number of the actual disbursements for any Fiscal Year based on the amount and timing of revenues actually collected by the District.

C. For subsequent Fiscal Years, the District shall disburse the Municipality's SCW Program Payment upon satisfaction of the following conditions: (1) the District has received the Annual Progress/Expenditure Report required pursuant to Section 18.06.D of the Code; (2) the District has received Municipality's Annual Plan for that Fiscal Year, and (3) the Municipality has complied with the audit requirements of Section B-6 of Exhibit B.

D. Notwithstanding any other provision of this Agreement, no disbursement shall be made at any time or in any manner that is in violation of or in conflict with federal, state, County laws, policies, or regulations.

E. All disbursements shall be subject to and be made in accordance with the terms and conditions in this Agreement and Chapters 16 and 18 of the Code.

VI. Term of Agreement

This Agreement shall expire at the end of the 2023-24 Fiscal Year. The parties shall thereafter enter into a new agreement based on the most recent standard template agreement approved by the Board.

VII. Execution of Agreement

This Agreement may be executed simultaneously or in any number of counterparts, including both counterparts that are executed manually on paper and counterparts that are in the form of electronic records and are executed electronically, whether digital or encrypted, each of which shall be deemed an original and together shall constitute one and the same instrument.

The District and the Municipality hereby agree to regard facsimile/electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on this Agreement and on any addenda or amendments thereto, delivered or sent via facsimile or electronic mail or other electronic means, as legally sufficient evidence that such original signatures have been affixed to this Agreement and any addenda or amendments thereto such that the parties need not follow up facsimile/electronic transmissions of such documents with subsequent (non-facsimile/electronic) transmission of “original” versions of such documents.

Further, the District and the Municipality: (i) agree that an electronic signature of any party may be used to authenticate this Agreement or any addenda or amendment thereto, and if used, will have the same force and effect as a manual signature; (ii) acknowledge that if an electronic signature is used, the other party will rely on such signature as binding the party using such signature, and (iii) hereby waive any defenses to the enforcement of the terms of this agreement based on the foregoing forms of signature.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

LA PUENTE

By: ______________________________________

Name:

Title:

Date: ____________________________________

LOS ANGELES COUNTY
FLOOD CONTROL DISTRICT:

By: ______________________________________

Name:

Title:

Date: ____________________________________

EXHIBIT A – ANNUAL PLAN CONTENTS

A-1. Description of all projects anticipated to be funded using the SCW Program Payment. Include a discussion of how the projects will result in the achievement of one or more SCW Program Goals, including quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.

A-2. Description of all programs anticipated to be funded using the SCW Program Payment. Include a discussion of how the programs will result in the achievement of one or more SCW Program Goals; including quantitative targets and corresponding metrics for subsequent reporting of all applicable parameters.

A-3. Description of all operation and maintenance activities anticipated to be funded using the SCW Program Payment. Include a discussion of how those activities will result in the achievement of one or more SCW Program Goals. Additional operation and maintenance activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.

A-4. Description of the stakeholder and community outreach/engagement activities anticipated to be funded with the SCW Program Payment, including discussion of how local NGOs or CBOs will be involved, if applicable, and if not, why. Additional outreach/engagement activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.

A-5. Description of post-construction monitoring for projects completed using the SCW Program Payment. Additional post-construction monitoring activities, even if funded by other sources, should be referenced to provide an overview of anticipated overall project approach.

A-6. Provide the status of any projects that have been awarded (or are seeking award of) Institute for Sustainable Infrastructure (ISI) verification, if applicable.

A-7. Provide the budget for the activities described in provisions A1 through A-5 SCW Program Payment.

EXHIBIT B – GENERAL TERMS AND CONDITIONS

B-1. Accounting and Deposit of Funding Disbursement

1. SCW Program Payments distributed to the Municipality shall be held in a separate interest-bearing account and shall not be combined with other funds. Interest earned from each account shall be used by the Municipality only for eligible expenditures consistent with the requirements of the SCW Program.

2. The Municipality shall not be entitled to interest earned on undisbursed SCW Program Payments; interest earned prior to disbursement is property of the District.

3. The Municipality shall operate in accordance with Generally Accepted Accounting Principles (GAAP).

4. The Municipality shall be strictly accountable for all funds, receipts, and disbursements for their SCW Program Payment.

B-2. Acknowledgement of Credit and Signage

The Municipality shall include appropriate acknowledgement of credit to the District's Safe, Clean Water Program for its support when promoting activities funded with SCW Program funds or using any data and/or information developed SCW Program funds. When the SCW Program Payment is used, in whole or in part, for construction of an infrastructure Project, signage shall be posted in a prominent location at Project site(s) or at the Municipality's headquarters and shall include the Safe, Clean Water Program color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." At a minimum the sign shall be 2' x 3' in size. The Municipality shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

When the SCW Program Payment is used, in whole or in part, for a scientific study, the Municipality shall include the following statement in the study report: "Funding for this study has been provided in full or in part from the Los Angeles County Flood Control District's Safe, Clean Water Program." The Municipality shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

B-3. Acquisition of Real Property - Covenant

Any real property acquired in whole or in part with SCW Program funds shall be used for Projects and Programs that are consistent with the SCW Program Goals and with the provisions of Chapter 16 and 18 of the Code.

Any Municipality that acquires the fee title to real property using, in whole or in part, SCW Program funds shall record a document in the office of the Registrar-Recorder/County

Clerk containing a covenant not to sell or otherwise convey the real property without the prior express written consent of the District, which consent shall not be unreasonably withheld.

B-4. Amendment

Except as provided in Section II of the Agreement, no amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral or written understanding or agreement not incorporated in this Agreement is binding on any of the parties.

B-5. Assignment

The Municipality shall not assign this Agreement.

B-6. Audit and Recordkeeping

1. The Municipality shall retain for a period of seven (7) years, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects implemented using SCW Program Payments. The Municipality, upon demand by authorized representatives of the District, shall make such records available for examination and review or audit by the District or its authorized representatives. Records shall include accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files, including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program Payments and expenditures.

2. The Municipality is responsible for obtaining an independent audit to determine compliance with the terms and conditions of this Agreement and all requirements applicable to the Municipality contained in chapters 16 and 18 of the Code. Municipality shall obtain an independent audit of their SCW Program Payments every three (3) years. Audits shall be funded with Municipal Program funds.

3. Municipality shall file a copy of all audit reports by the ninth (9^{th}) month from the end of each three (3) year period to detail the preceding three (3) years of expenditures. Audit reports shall be posted on the District's publicly accessible website.

Every Third Fiscal Year		
Fiscal Year	**Audit Begins**	**Audit Report Due to District**
2020-21	7/1/2023	No later than 3/31/2024

4. Upon reasonable advanced request, the Municipality shall permit the Chief Engineer to examine the infrastructure Projects using SCW Program Payments. The Municipality shall permit the authorized District representative, including the Auditor-Controller, to examine, review, audit, and transcribe any and all audit

reports, other reports, books, accounts, papers, maps, and other records that relate to the SCW Program Payments. Examination activities are considered District administration of the SCW Program.

5. Expenditures determined by an audit to be in violation of any provision of Chapters 16 or 18 of the Code, or of this Agreement, shall be subject to the enforcement and remedy provisions of Section 18.14 of the Code.

B-7. Availability of Funds

District's obligation to disburse the SCW Program Payment is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason including, but not limited to, failure to fund allocations necessary for disbursement of the SCW Program Payment, the District shall not be obligated to make any disbursements to the Municipality under this Agreement. This provision shall be construed as a condition precedent to the obligation of the District to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Municipality with a right of priority for disbursement over any other Municipality. If any disbursements due to the Municipality under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the District that such disbursement will be made to the Municipality when sufficient funds do become available, but this intention is not binding. If this Agreement's funding for any Fiscal Year is reduced or deleted by order of the Board, the District shall have the option to either cancel this Agreement with no liability occurring to the District or offer an amendment to the Municipality to reflect the reduced amount.

B-8. Choice of Law

The laws of the State of California govern this Agreement.

B-9. Claims

Any claim of the Municipality is limited to the rights, remedies, and claims procedures provided to the Municipality under this Agreement. Municipal expenditures of a SCW Program Payment that involves the District shall utilize a separate and specific agreement to that Project that includes appropriate indemnification superseding that in this Agreement.

B-10. Compliance with SCW Program

The Municipality shall comply with and require its contractors and subcontractors to comply with all provisions of Chapters 16 and 18 of the Code.

B-11. Compliance with Law, Regulations, etc.

The Municipality shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable local, state and federal laws, rules, guidelines, regulations, and requirements.

B-12. Continuous Use of Municipal Projects; Lease or Disposal of Municipal Projects

The Municipality shall not abandon, substantially discontinue use of, lease, or dispose of all or a significant part or portion of any Project funded in whole or in part with SCW Program Payments during the useful life (defined as 30 years unless specified otherwise in annual plans and subsequent reports) of the Project without prior written approval of the District. Such approval may be conditioned as determined to be appropriate by the District, including a condition requiring repayment of a pro rata amount of the SCW Program Payments used to fund the Project together with interest on said amount accruing from the date of lease or disposal of the Project.

B-13. Disputes

Should a dispute arise between the parties, the party asserting the dispute will notify the other parties in writing of the dispute. The parties will then meet and confer within 21 calendar days of the notice in a good faith attempt to resolve the dispute.

If the matter has not been resolved through the process set forth in the preceding paragraph, any party may initiate mediation of the dispute. Mediation will be before a retired judge or mediation service mutually agreeable to the parties. All costs of the mediation, including mediator fees, will be paid one-half by the District and one-half by the Municipality. SCW Program Payments shall not be used to pay for any costs of the mediation.

The parties will attempt to resolve any dispute through the process set forth above before filing any action relating to the dispute in any court of law.

B-14. Final Inspection and Certification of Registered Professional

Upon completion of the design phase and before construction of a project, the Municipality shall provide certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist) that the design has been completed.

Upon completion of the project, the Municipality shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement.

B-15. Force Majeure.

In the event that Municipality is delayed or hindered from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials not related to the price thereof, riots, insurrection, war, or other reasons of a like nature beyond the control of the Municipality, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

B-16. Funding Considerations and Exclusions

1. All expenditures of SCW Program Payments by Municipality must comply with the provisions of Chapters 16 and 18 of the Los Angeles County Flood Control District Code, including but not limited to the provisions regarding eligible expenditures contained in Section 16.05.A.2 and the provision regarding ineligible expenditures contained in Section 16.05.A.3.

2. SCW Program Payments shall not be used in connection with any Project implemented as an Enhanced Compliance Action ("ECA") and/or Supplemental Environmental Project ("SEP") as defined by State Water Resources Control Board Office of Enforcement written policies, or any other Project implemented pursuant to the settlement of an enforcement action or to offset monetary penalties imposed by the State Water Resources Control Board, a Regional Water Quality Control Board, or any other regulatory authority; provided, however, that SCW funds may be used for a Project implemented pursuant to a time schedule order ("TSO") issued by the Los Angeles Regional Water Quality Control Board if, at the time the TSO was issued, the Project was included in an approved watershed management program (including enhanced watershed management programs) developed pursuant to the MS4 Permit.

B-17. Indemnification

The Municipality shall indemnify, defend and hold harmless the District, the County of Los Angeles and their elected and appointed officials, agents, and employees from and against any and all liability and expense, including defense costs, legal fees, claims, actions, and causes of action for damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage, arising from or in conjunction with: (1) any Project or Program implemented by the Municipality, in whole or in part, with SCW Program Payments or (2) any breach of this Agreement by the Municipality.

B-18. Independent Actor

The Municipality, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the District.

The Municipality shall not contract work with a contractor who is in a period of debarment from any agency within the District. (LACC Chapter 2.202)

B-19. Integration

This is an integrated Agreement. This Agreement is intended to be a full and complete statement of the terms of the agreement between the District and Municipality, and expressly supersedes any and all prior oral or written agreements, covenants, representations and warranties, express or implied, concerning the subject matter of this Agreement.

B-20. Lapsed Funds

1. The Municipality shall be able to carry over uncommitted SCW Program Payments for up to five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Municipality.

2. If the Municipality is unable to expend the SCW Program Payment within five (5) years from the end of the fiscal year in which those funds are transferred from the District to the Municipality, then lapsed funding procedures will apply. Lapsed funds are funds that were transferred to the Municipality but were not committed to eligible expenditures by the end of the fifth (5^{th}) fiscal year after the fiscal year in which those funds were transferred from the District.

3. Lapsed funds shall be allocated by the Watershed Area Steering Committee of the respective Watershed Area to a new Project with benefit to that Municipality, if feasible in a reasonable time frame, or otherwise to the Watershed Area.

4. In the event that funds are to lapse, due to circumstances beyond the Municipality's control, then the Municipality may request an extension of up to twelve (12) months in which to commit the funds to eligible expenditures. Extension Requests must contain sufficient justification and be submitted to the District in writing no later than three (3) months before the funds are to lapse.

5. The decision to grant an extension is at the sole discretion of the District.

6. Funds still uncommitted to eligible expenditures after an extension is granted will be subject to lapsed funding procedures without exception.

Fiscal Year Transferred	**Funds Lapse After**	**Extension Request Due**	**Commit By**
2019-20	6/30/2025	No later than 3/31/2025	No later than 6/30/2026

B-21. Municipal Project Access

Upon reasonable advance request, the Municipality shall ensure that the District or any authorized representative, will have safe and suitable access to the site of any Project implemented by the Municipality in whole or in part with SCW Program Payments at all reasonable times.

B-22. Non-Discrimination

The Municipality agrees to abide by all federal, state, and County laws, regulations, and policies regarding non-discrimination in employment and equal employment opportunity.

B-23. No Third-Party Rights

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein

B-24. Notice

1. The Municipality shall notify the District in writing within five (5) working days of the occurrence of the following:

    a. Bankruptcy, insolvency, receivership or similar event of the Municipality; or

    b. Actions taken pursuant to State law in anticipation of filing for bankruptcy.

2. The Municipality shall notify the District within ten (10) working days of any litigation pending or threatened against the Municipality regarding its continued existence, consideration of dissolution, or disincorporation.

3. The Municipality shall notify the District promptly of the following:

    a. Any significant deviation from the submitted Annual Plan for the current Fiscal Year, including discussion of any major changes to the scope of funded projects or programs, noteworthy delays in implementation, reduction in benefits or community engagement, and/or modifications that change the SCW Program Goals intended to be accomplished.

    b. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Municipality agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the District has determined what actions should be taken to protect and preserve the resource. The Municipality agrees to implement appropriate actions as directed by the District.

    c. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by District representatives with at least fourteen (14) days' notice to the District.

B-25. Municipality's Responsibility for Work

The Municipality shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Municipality shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The District will not mediate disputes between the Municipality and any other entity concerning responsibility for performance of work.

B-26. Reporting

The Municipality shall be subject to and comply with all applicable requirements of the District regarding reporting requirements. Municipalities shall report available data through the SCW Reporting Module, once available.

1. Annual Progress/Expenditure Reports. The Municipality shall submit Annual Progress/Expenditure Reports, using a format provided by the District, within six (6) months following the end of the Fiscal Year to the District to detail the activities of the prior year. The Annual Progress/Expenditure Reports shall be posted on the District's publicly accessible website and on the Municipality's website. The Annual Progress/Expenditure Report shall include:

    a. Amount of funds received;

    b. Breakdown of how the SCW Program Payment has been expended;

    c. Documentation that the SCW Program Payment was used for eligible expenditures in accordance with Chapters 16 and 18 of the Code;

    d. Description of activities that have occurred, milestones achieved, and progress made to date, during the applicable reporting period including comparison to the Annual Plan and corresponding metrics;

    e. Discussion of any existing gaps between what was planned and what was achieved for the prior year, include any lessons learned;

    f. Description of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits and a summary of how SCW Program Payments have been used to achieve SCW Program Goals for the prior year, including graphical representation of available data and specific metrics to demonstrate the benefits being achieved through the years' investments.

    g. Discussion of alignment with other local, regional, and state efforts, resources, and plans, as applicable. This includes discussion of opportunities for addressing additional SCW Program Goals, leveraging SCW Program Goals, and increasing regional capacity to supplement the SCW Program.

    h. Additional financial or Project-related information in connection with activity funded in whole or in part using SCW Program Payments as required by the District.

    i. Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), that projects implemented with SCW Program Payments were conducted in accordance with Chapters 16 and 18 of the Code.

j. Report on annual and total (since inception of program) benefits provided by programs and projects funded by SCW Program Payment. This includes comparisons to annual plans and alignment with corresponding specific quantitative targets and metrics (note that SCW Reporting Module will facilitate calculation of benefits and graphical representation of pertinent data):

   i. Annual volume of stormwater captured and treated
   ii. Annual volume of stormwater captured and reused
   iii. Annual volume of stormwater captured and recharged to a managed aquifer
   iv. Annual creation, enhancement, or restoration of Community Investment Benefits. If none, discuss considerations explored and reasons to not include.
   v. Annual acreage increases in Nature-Based Solutions and claimed level of NBS (with matrix demonstrating determination of good, better, best, as outlined in Exhibit C). If none, discuss considerations explored and reasons to not include.

   vi. Annual expenditures providing DAC Benefits. If none, discuss considerations explored and reasons to not include.

2. Documentation of the Community Outreach and Engagement utilized for and/or achieved with the SCW Program Payment described in the Annual Plan Exhibit A. This information must be readily accessible to members of the public.

3. As Needed Information or Reports. The Municipality agrees to promptly provide such reports, data, and information as may be reasonably requested by the District including, but not limited to material necessary or appropriate for evaluation of the SCW Program or to fulfill any reporting requirements of the County, state or federal government.

B-27. Representations, Warranties, and Commitments

The Municipality represents, warrants, and commits as follows:

1. Authorization and Validity. The execution and delivery of this Agreement, including all incorporated documents, by the individual signing on behalf of Municipality, has been duly authorized by the governing body of Municipality, as applicable. This Agreement constitutes a valid and binding obligation of the Municipality, enforceable in accordance with its terms, except as such enforcement may be limited by law.

2. No Violations. The execution, delivery, and performance by the Municipality of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other

instrument to which the Municipality is a party or by which the Municipality is bound as of the date set forth on the first page hereof.

3. No Litigation. There are no pending or, to the Municipality's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which affect the Municipality's ability to complete the Annual Plan.

4. Solvency. None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the Municipality. As of the date set forth on the first page hereof, the Municipality is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Municipality is able to pay its debts as they become due.

5. Legal Status and Eligibility. The Municipality is duly organized and existing and in good standing under the laws of the State of California. The Municipality shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority.

6. Good Standing. The Municipality must demonstrate it has not failed to comply with previous County and/or District audit disallowances within the preceding five years.

B-28. Travel

Any reimbursement for necessary ground transportation and lodging shall be at rates not to exceed those set by the California Department of Human Resources; per diem costs will not be eligible expenses. These rates may be found at http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred by the Municipality. No travel outside the Los Angeles County Flood Control District region shall be reimbursed unless prior written authorization is obtained from the Program Manager.

B-29. Unenforceable Provision

In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

B-30. Withholding of Disbursements and Material Violations

Notwithstanding any other provision of this Agreement, the District may withhold all or any portion of the SCW Program Payment for any Fiscal Year in the event that:

1. The Municipality has violated any provision of this Agreement; or

2. The Municipality fails to maintain reasonable progress in achieving SCW Program Goals, following an opportunity to cure.

3. Failure to remain in Good Standing, described in Section B-26 of Exhibit B.

4. Failure to submit annual reports on meeting SCW Program Goals.

EXHIBIT C – NATURE BASED SOLUTIONS (NBS) BEST MANAGEMENT PRACTICES

Municipalities shall consider incorporation of Nature-based solutions (NBS) into their projects. NBS refers to the sustainable management and use of nature for undertaking socio-environmental challenges, including climate change, water security, water pollution, food security, human health, and disaster risk management. As this environmental management practice is increasingly incorporated into projects for the SCW Program, this guidance document may be expanded upon to further quantify NBS practices based on benefits derived from their incorporation on projects.

The SCW Program defines NBS as a Project that utilizes natural processes that slow, detain, infiltrate or filter Stormwater or Urban Runoff. These methods may include relying predominantly on soils and vegetation; increasing the permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; enhancing soil through composting, mulching; and, planting trees and vegetation, with preference for native species. NBS may also be designed to provide additional benefits such as sequestering carbon, supporting biodiversity, providing shade, creating and enhancing parks and open space, and improving quality of life for surrounding communities. NBS include Projects that mimic natural processes, such as green streets, spreading grounds and planted areas with water storage capacity. NBS may capture stormwater to improve water quality, collect water for reuse or aquifer recharge, or to support vegetation growth utilizing natural processes.

Municipalities are to include in each Annual Progress/Expenditure Report whether and how their project achieves a good, better, or best for each of the 6 NBS methods in accordance with the guidance below. Additionally, Annual Progress/ Expenditure Reports should include discussion on any considerations taken to maximize the class within each method. If at least 3 methods score within a single class, the overall project can be characterized as that class. Municipalities must attach a copy of the matrix for each project with the good, better, or best column indicated for each method, to facilitate District tracking of methods being utilized.

METHODS	GOOD	BETTER	BEST
Vegetation/Green Space	Use of climate-appropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 5%-15% covered by new climate-appropriate vegetation	Use of native, climate-appropriate, eco-friendly vegetation (groundcover, shrubs, and trees) / green space 16%-35% covered by new native vegetation	Establishment of plant communities with a diversity of native vegetation (groundcover, shrubs, and trees) / green space that is both native and climate-appropriate More than 35% covered by new native vegetation
Increase of Permeability	Installation of vegetated landscape – 25%-49% paved area removed Redesign of existing impermeable surfaces and/or installation of permeable surfaces (e.g. permeable pavement and infiltration trenches)	Installation of vegetated landscape – 50%-74% paved area removed Improvements of soil health (e.g., compaction reduction)	Installation of vegetated landscape – 75%-100% paved area removed Creation of well-connected and self-sustained natural landscapes with healthy soils, permeable surfaces, and appropriate vegetation
Protection of Undeveloped Mountains & Floodplains	• Preservation of native vegetation • Minimal negative impact to existing drainage system	• Preservation of native vegetation • Installation of new feature(s) to improve existing drainage system	• Creation of open green space • Installation of features to improve natural hydrology
Creation & Restoration of Riparian Habitat & Wetlands	•Partial restoration of existing riparian habitat and wetlands •Planting of climate appropriate vegetation - between 11 and 20 different climate-appropriate or native plant species newly planted •No potable water used to sustain the wetland	• Full restoration of existing riparian habitat and wetlands • Planting of native vegetation - between 21 and 40 different native plant species newly planted •No potable water used to sustain the wetland	• Full restoration and expansion of existing riparian habitat and wetlands Planting of plant communities with a diversity of native vegetation – between 41 and 50 different native plant species newly planted •No potable water used to sustain the wetland

New Landscape Elements	Elements designed to capture runoff for other simple usage (e.g. rain gardens and cisterns), capturing the 85th percentile 24-hour storm event for at least 50% of the entire parcel	Elements that design to capture/redirect runoff and filter pollution (e.g. bioswales and parkway basins), capturing the 85th percentile 24-hour storm event from the entire parcel	Large sized elements that capture and treat runoff to supplement or replace existing water systems (e.g. wetlands, daylighting streams, groundwater infiltration, floodplain reclamation), capturing the 90th percentile 24-hour storm event from the entire parcel and/or capturing off-site runoff
Enhancement of Soil	Use of soil amendments such as mulch and compost to retain moisture in the soil and prevent erosion Planting of new climate-appropriate vegetation to enhance soil organic matter	Use of soil amendments such as mulch and compost that are locally generated to retain moisture in the soil, prevent erosion, and support locally based composting and other soil enhancement activities Planting of new native, climate-appropriate vegetation to enhance soil organic matter	Use of soil amendments such as mulch and compost that are locally generated, especially use of next-generation design with regenerative adsorbents (e.g. woodchips, biochar) to retain moisture in the soil, prevent erosion, and support on-site composting and other soil enhancement activities Planting of new native, climate appropriate vegetation to enhance soil organic matter

EXHIBIT D – OPERATIONS AND MAINTENANCE GUIDANCE DOCUMENT

Municipalities shall operate and maintain infrastructure projects for the useful life of the project and are to consider using the following guidance for operations and maintenance for infrastructure projects. Operational maintenance is the care and upkeep of Projects that may require detailed technical knowledge of the Project's function and design. Project specific operational and maintenance plans shall consider the activities listed below and set forth specific activities and frequencies (not limited to those below) as determined to be appropriate by the Municipalities and best practices, including stakeholder engagement as applicable. Operational maintenance is to be performed by the operator of the Project with a purpose to make the operator aware of the state of readiness of the Project to deliver stormwater and urban runoff benefits.

1. Litter Control
    - Regular removal of litter, nonhazardous waste materials, and accumulated debris near planted areas, rock areas, decomposed granite areas, rest areas, fence perimeters, adjoining access roads and driveways, drains, pedestrian trails, viewing stations, shelter houses, and bicycle pathways.
    - Regular inspection and maintenance of pet waste stations
    - Maintaining trash receptacles
    - Removal of trash, debris, and blockages from bioswales
    - Inspection and cleaning of trash booms
    - Inspection of weir gates and stop logs to clean debris, as required.

2. Vegetation Maintenance

    - Weed control
        - Recognition and removal of weeds, such as perennial weeds, morning glory, vine-type weeds, ragweed, and other underground spreading weeds.
        - Avoiding activities that result in weed seed germination (e.g. frequent soil cultivation near trees or shrubs)
        - Regular removal of weeds from landscape areas, including from berms, painted areas, rock areas, gravel areas, pavement cracks along access roads and driveways, drains, pedestrian trails, viewing stations, park shelters, and bicycle paths.

    - Tree and shrubbery trimming and care
        - Removal of dead trees and elimination of diseased/damaged growth
        - Prevent encroachment of adjacent property and provide vertical clearance
        - Inspect for dead or diseased plants regularly

    - Wetland vegetation and landscape maintenance
        - Installation and maintenance of hydrophytic and emergent plants in perennially wet and seasonal, intermittent habitats.
        - Draining and drawdown of wetland and excessive bulrush removal

  - Weed and nuisance plant control
  - Removal of aquatic vegetation (e.g. algae and primrose) using appropriate watercraft and harvesting equipment
  - Wildflower and meadow maintenance
  - Grass, sedge, and yarrow management
  - Removal of unwanted hydroseed

3. Wildlife Management

- Exotic species control
- Provide habitat management; promote growth of plants at appropriate densities and promote habitat structure for animal species
- Protect sensitive animal species (e.g. protection during critical life stages including breeding and migration)
- Avoid disturbances to nesting birds
- Avoid spread of invasive aquatic species

4. Facility Inspection

- Inspect project sites for rodent and insect infestations on a regular basis
- Inspect for and report graffiti in shelter houses, viewing stations, benches, paving surfaces, walls, fences, and educational and directional signs
- Inspect facilities for hazardous conditions on roads and trails (e.g. access roads and trails, decomposed granite pathways, and maintenance roads)
- Inspect shade structures for structural damage or defacement
- Inspect hardscapes
- Inspect and maintain interpretive and informational signs
- Inspect site furnishings (e.g. benches, hitching posts, bicycle racks)
- Maintain deck areas (e.g. benches, signs, decking surfaces)
- Visually inspect weirs and flap gates for damage; grease to prevent locking.
- Inspect all structures after major storm events, periodically inspect every 3 months, and operate gates through full cycles to prevent them from locking up.

5. Irrigation System Management

- Ensuring automatic irrigation controllers are functioning properly and providing various plant species with proper amount of water.

  - Cycle controller(s) through each station manually and automatically to determine if all facets are functioning properly.
  - Inspection should be performed at least monthly.
  - Recover, replace, or refasten displaced or damaged valve box covers.
  - Inspect and repair bubbler heads.

- Repair and replace broken drip lines or emitters causing a loss of water (to prevent ponding and erosion).
- Maintain drip system filters to prevent emitters from clogging. Inspection and cleaning should occur at least monthly.
- Inspect and clean mainline filters, wye strainers, basket filters, and filters at backflow devices twice a year.
- Maintain and check function of the drip system.

- Keeping irrigation control boxes clear of vegetation
- Operating irrigation system to ensure it does not cause excessively wet, waterlogged areas, and slope failure
- Utilizing infrequent deep watering techniques to encourage deep rooting, drought tolerant plant characteristics to promote a self-sustaining, irrigation free landscape
- Determine watering schedules based on season, weather, variation in plant size, and plant varieties. At least four times a year (e.g. change of season), reschedule controller systems.
- Turn off irrigation systems at the controller at the beginning of the rainy season, or when the soil has a high enough moisture content.
- Use moisture sensing devices to determine water penetration in soil.

6. Erosion Management and Control

- Inspect slopes for erosion during each maintenance activity
- Inspect basins for erosion
- Take corrective measures as needed, including filling eroded surfaces, reinstalling or extending bank protection, and replanting exposed soil.

7. Ongoing Monitoring Activities

- Monitor controllable intake water flow and water elevation
- Examine inflow and outflow structures to ensure devices are functioning properly and are free of obstructions.
- Water quality sampling (quarterly, unless justified otherwise)
- Checking telemetry equipment
- Tracking and reporting inspection and maintenance records

8. Vector and Nuisance Insect Control

- Monitoring for the presence of vector and nuisance insect species
- Adequate pretreatment of influent wastewater to lessen production of larval mosquitos
- Managing emergent vegetation
- Using hydraulic control structures to rapidly dewater emergent marsh areas
- Managing flow velocities to reduce propagation of vectors

City of La Puente
AGENDA REPORT

To: Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: Sheryl Garcia, MMC, CPM, City Clerk
Martha Aguirre, Office Specialist

SUBJECT: CONSIDERATION OF A RESOLUTION RESCINDING RESOLUTION NO. 18-5447 AND ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

BACKGROUND/DISCUSSION

Pursuant to the Political Reform Act ("the Act"), every government agency must adopt a Conflict of Interest Code ("COI Code") which identifies those public officials, employees and consultants who are required to file Statements of Economic Interests (FPPC Form 700) and sets forth what financial interests they must disclose. The COI Code must list those positions in the City which are involved in the making, or participate in making, governmental decisions that may foreseeably have a material effect on the financial interest of the enumerated position.

The Act requires that local governments review their COI Code during even numbered years and make amendments, if necessary, to reflect the creation of new positions, deletion of positions and changes in titles. The following revisions are recommended to the COI Code to reflect new positions previously approved by the City Council and the deletion of positions which are no longer necessary:

1. Add "Assistant City Engineer"
2. Add "Community Engagement Supervisor"
3. Add "Code Enforcement Supervisor"
4. Add "La Puente Community Foundation"
5. Add "Management Analyst"
6. Add "Principal Accountant"
7. Add "Senior Planner"
8. Remove "Deputy City Attorney"
9. Remove "Oversight Board"
10. Remove "Police Chief"

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 20-5586 rescinding Resolution No. 18-5447 and approving the City's amended Conflict of Interest Code.

ATTACHMENTS

Attachment "A": Resolution No. 20-5586

RESOLUTION NO. 20-5586

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PUENTE, CALIFORNIA, RESCINDING RESOLUTION NO. 18-5447, AND ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, California Government Code section 87300 requires that all public agencies adopt a conflict of interest code; and

WHEREAS, pursuant to Government Code section 87302, the conflict of interest code must provide for specific enumeration of positions within the City, other than those specified by Government Code section 87200, which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property and sources of income which are reportable; and

WHEREAS, the Fair Political Practices Commission ("FPPC") adopted Regulation 18730, which contains the terms of a standard conflict of interest code, which may be incorporated by reference in an agency's code, and may be amended by the FPPC after public notice and hearing to comply with any amendments to the Political Reform Act; and

WHEREAS, in 2018, the City Council adopted Resolution No. 18-5447, which provided a single conflict of interest code for officials and designated employees of the City; and

WHEREAS, pursuant to the provisions of Government Code Section 87306.5, the City has conducted its required biennial review of the conflict of interest code, and is proposing the code set forth in Attachment "A", which is attached hereto and incorporated herein by reference.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA PUENTE HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

<u>SECTION 1.</u> The above recitals are true and correct and are incorporated herein by reference.

<u>SECTION 2.</u> Resolution No. 18-5447 is hereby rescinded, and all conflict of interest codes previously adopted for City departments and commissions are hereby superseded and of no further force and effect.

<u>SECTION 3.</u> The City of La Puente Conflict of Interest Code, attached hereto as Attachment "A", is hereby adopted.

SECTION 4. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 5. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 13th day of October, 2020, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

____
Charlie Klinakis, Mayor

ATTEST:

____
Sheryl Garcia, City Clerk

ATTACHMENT "A"

CONFLICT OF INTEREST CODE FOR THE CITY OF LA PUENTE

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs., §18730) which contains the terms of a standard conflict-of-interest code which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it, duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This regulation and the attached Exhibits as follows, Exhibit A - designating officials and employees and Exhibit B - establishing disclosure categories, shall constitute the conflict-of-interest code of the City of La Puente.

Designated employees shall file their statements with the City of La Puente which will make the statements available for public inspection and reproduction per Government Code section 81008. Statements for all designated employees will be retained by the agency.

EXHIBIT “A”

DESIGNATED OFFICIALS AND EMPLOYEES

87200 FILERS

DESIGNATED POSITION	DISCLOSURE CATEGORY
City Council	
Mayor	As required by State law
Council Members (4)	As required by State law
City Officials	
City Manager	As required by State law
City Treasurer	As required by State law
City Attorney	As required by State law
Planning Commissioners (5)	As required by State law
Successor Agency	
Agency Members (5)	As required by State law

CITY OF LA PUENTE EMPLOYEES

DESIGNATED POSITION	DISCLOSURE CATEGORY
City Clerk Department	
City Clerk	LP-01
City Manager Department	
Community Engagement Supervisor	LP-01
Management Assistant	LP-01
City Attorney Department	
Assistant City Attorney	LP-01
Administrative Services Department	
Director of Administrative Services	LP-01
Principal Accountant	LP-01
Finance Manager	LP-01
Management Analyst	LP-01

DESIGNATED POSITION	DISCLOSURE CATEGORY
Community Services Department	
Director of Community Services	LP-01
Development Services Department	
Director of Development Services	LP-01
Assistant City Planner	LP-01
Senior Planner	LP-01
Maintenance Superintendent	LP-01
Assistant Planner	LP-01
Consultant – City Engineer	LP-01
Consultant – Assistant City Engineer	LP-01
Consultant – Building Official	LP-01
La Puente Community Foundation	
Board Members (5)	LP-01
Public Safety Department	
Code Enforcement Manager	LP-01
Code Enforcement Supervisor	LP-01

EXHIBIT "B"

DISCLOSURE CATEGORIES

87200 FILERS

DISCLOSURE CATEGORY	DISCLOSURE DESCIPTIONS
City Council	
87200 FPPC Filers	Per State Law
City Officials	
87200 FPPC Filers	Per State Law
Successor Agency	
87200 FPPC Filers	Per State Law

CITY OF LA PUENTE EMPLOYEES

DISCLOSURE CATEGORY	DISCLOSURE DESCIPTIONS
City Clerk Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
City Manager Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
City Attorney Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).

DISCLOSURE CATEGORY	DISCLOSURE DESCIPTIONS
Administrative Services Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
Community Services Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
Development Services Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
La Puente Community Foundation	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
Public Safety Department	
LP-01	All interests in real property located in La Puente or within two miles of any land owned or used by the City of La Puente, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).

City of La Puente
AGENDA REPORT

To: Mayor and City Council For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: Roxanne E. Lerma, Director of Community Services

SUBJECT: COMMUNITY SERVICES DEPARTMENT UPDATE AND PROGRAM/EVENT PROPOSALS REGARDING THE YOUTH GRANT PROGRAM, THE VETERAN'S DAY CEREMONY, DIA DE LOS MUERTOS EVENT AND CONTINUED CLOSURE OF THE PLAYGROUND AT LA PUENTE PARK

BACKGROUND

On March 13, 2020, City Council closed all City facilities to the public. The closures were to protect both the residents and staff doing business in the facilities from the spread of COVID-19. Initially, the closure was to be reevaluated at the end of March; however, the closure has extended through the month of June for City Hall with facility closures remaining in place for the La Puente Community Center/Youth Learning Activity Center and the La Puente Senior Center.

The State of California has developed a blueprint for reducing the spread of COVID-19 through the state with criteria for loosening and tightening restriction on certain activities. Every county in California is assigned to a tier based on its test positivity and adjusted case rate. At a minimum, counties must remain in a tier for at least 3 weeks before moving forward. Data is reviewed weekly and tiers are updated on Tuesdays. To move forward, a county must meet the next tier's criteria for two consecutive weeks. If a county's metrics works for two consecutive weeks, it will be assigned a more restrictive tier. As of Tuesday, October 6, 2020, the County of Los Angeles is placed in the purple or widespread tier meaning that many non-essential business operations are closed.

To comply with the State's mandate, the County of Los Angeles has developed protocols and procedures that will allow for the certain types of functions, events, programs, and outdoor facility use to occur. The Community Services Department has taken a close look at the protocols set in place by the County of Los Angeles Public Health Department and has identified certain areas of its operation and programs that can safely reopen with modifications in place.

DISCUSSION

The Community Services Department suspended a number of its areas of operation when the City Council moved to close all City facilities on March 13, 2020, in order to protect its residents and staff and prevent furthering the spread of COVID-19. As City Hall instituted a phased reopening, the La Puente Community Center/Youth Learning Activity Center and the La Puente Senior Center remain closed due to County mandates Since some programs have or are still successfully functioning with modification in place such as the nutrition program for seniors and the summer lunch program, the staff of the Community Services Department is proposing other programs and services can be offered once again with similar modification. These services and programs include Passport Services, the Youth Activities Grant Program and Veteran's Day.

Passport Services: City staff is prepared to begin offering limited passport services on October 15th at the Youth Learning Activity Center. Passport services will be offered two days a week by appointment only. Social distancing will be practiced along with temperature checks, disinfecting between clients and social distancing markers/stickers reminding clients to maintain the standard 6 feet of separation. Appointments can be made online via the City's website or by calling the Youth Learning Activity Center.

Youth Activities Grant Program: The City currently offers low-income residents ages 5 to 17 years the opportunity to participate in extracurricular activities through the Youth Activities Grant Program. Qualifying youths receive two $35 certificates, a total of $70 that can be used for sports leagues, recreational classes and other approved programs. Due to the COVID-19 pandemic, the majority of sports, recreational activities and programs are currently closed. Staff is proposing add the following options to the Youth Activities Grant Program to provide additional assistance to low income families:

- School Supplies (backpacks, paper, pencils, etc.)
- PPE (mask, gloves, etc.)
- Pandemic essentials (hand sanitizer, disinfecting wipes, disinfecting spray, thermometers, masks, etc.)
- First aid supplies (band-aid bandages, ice packs, etc.)
- Food (following the state of CA SNAP benefits guidelines)
- Home use sports equipment (balls, jump ropes, cones, hula hoops, etc.)

Applicants will still have to meet the income qualifying requirements. Once approved the applicant will be notified. Each qualified applicant would purchase the pre-approved items and provide a receipt for reimbursement for the pre-approved amount.

There are no additional costs associated with the proposed addition for the approved expenses. City Council budgeted $12,000.00 in the Youth Activities Program line item as part of the Fiscal Year 2020-2021 Community Promotions budget.

Veteran's Day: The Community Services Department is proposing to hold a drive thru Veteran's Day Service in lieu of the traditional program that is hold on the plaza. The concept is similar to the drive thru graduations that schools were holding back in June. Details are as follows:

- Veterans or their family members will fill out and turn in an affirmation form in advance of the event.
- Each Veteran will be individually contacted and assigned a drive thru time for the event and will be provided with participation instructions and a map of the "drive-thru route" in advance of the event.
- On the day of the event, the Veteran will drive thru the parking lot at City Hall. One Veteran/or family member will exit the vehicle to receive their special recognition, a socially distanced

picture with the City Council in front of a Veteran's Day themed back drop and collect their items of appreciation such as the rose, certificate and pin.

- They will get back in their cars and drive off.

Cost Estimate: The cost associated with this event is approximately $2,500.00. Veteran's Day was budgeted for as part of Fiscal Year 2020-2021 budget in the Special Events line item under Community Promotions.

As the State and County continue to provide direction on the reopening of certain sectors and activities, there are still some areas that require additional review and time to comply with the protocols that have been developed by the County Public Health. These areas of the Community Services Department operation include Recreation Classes and the Playground at La Puente Park.

Recreation Classes: Staff has reached out to the recreation class instructors and requested that each submit a new program proposal that includes the implementation of socially distancing protocols. Each proposal will be reviewed and discussed with the instructor. The Community Services Department is doing this ahead of a reopening date to ensure the successful welcoming back program participants in a safe manner. While State and County health departments will allow for outdoor recreation and instruction to take place with the utilization of cohorts, outdoor space is limited in and around the Community Center. The only outdoor space at the Community Center is the Citrus Courtyard and open space at the park is currently unavailable due to construction as part of the La Puente Park Master Plan. Staff is currently awaiting responses from each instructor.

Playground at La Puente Park: On Tuesday, September 29, 2020, the State of California issued guidance for the reopening of outdoor playgrounds. However, the decision to reopen outdoor playgrounds remains with the public park agency, which in this case would be the City. Key requirements for reopening the playground include signage, the ability to control the spread of infections and maintain physical distancing. The issue was brought to the attention of the La Puente Park Rules and Use Ad Hoc Committee at its meeting of October 5th and shared with the Public Health Ad Hoc Committee. Staff is recommending that the playground at La Puente Park remain closed. The park is currently lacking irrigation in the area where the playground is located which would prevent the proper cleaning of proper playground structures, equipment, and adjacent seating. In addition, a portion of the east side of the park is being used as a staging area for the construction occurring on the west side of park which is potentially hazardous to park patrons and prevents the ability to safely meeting the social distancing requirements as outlined in the County's Reopening Protocols for Outdoor Playgrounds.

A number of special events that are traditionally part of the City's calendar of events have been cancelled due to the COVID-19 pandemic. However, the County has been easing restrictions and providing guidelines for celebrating certain types of celebrations and holidays. As such, staff is proposing a Dia de los Muertos event for City Council consideration.

Dia de los Muertos: In order to provide the community with an opportunity to celebrate the fall, the Community Services Department is proposing a drive thru Dia de los Muertos event for Sunday, November 1st from 4:00pm to 7:00pm. The event would include street closures to designate a driving route. This closure plan is similar to the Christmas Parade except instead of starting at Temple and Hacienda, the closure would start at Glendora and Main and end at Stimson and Central. The Community Services Department would coordinate with local community groups, youth sports groups and businesses to host stops along the Dia de los Muertos route that follow social distancing protocols. Groups can give out information, flyers, or prepackaged items to the participants in each vehicle. The route will end at the parking lot at City Hall where the City will host a "grand finale" stop. An initial meeting was held with the Sheriff's Department to discuss safety protocols and street closures. While Dia de los Muertos is not a Halloween event, due to its proximity to Halloween, staff reviewed and designed this event to comply with the Los Angeles County Department of Public Health Guidance for Celebrating Halloween which allows for drive-thru events where individuals remain in their vehicles and drive-thru an area with displays. The Guidance also allows the handing out of treat bags of commercially packaged non-perishable treats or take away items.

Cost Estimate: The cost estimate to hold this event is approximately $ 7,000.00. While this is a new event, the cost associated with the event can be absorbed by the 2020-2021 Fiscal Year budget in the Special Events line item under Community Promotions.

FISCAL IMPACT

Expenses related to the modification to the Youth Grant Program, Veteran's Day and the proposed Drive-thru Dia de los Muertos will be absorbed by the Community Promotions budget in the Special Events line item.

RECOMMENDATION

It is recommended that the City Council: (1) approve to temporarily modify the qualifying expenses for the Youth Grant Program to include PPE's, school supplies, first aid essentials, certain food items and home use sports equipment; (2) approve the reformatting of the Veteran's Day Ceremony as a drive thru event that will adhere to public health orders and social distancing protocols; (3) approve the drive thru Dia de los Muertos event that will adhere to public health orders and social distancing protocols; and (4) approve staff's recommendation to keep the playground at La Puente Park closed.

ATTACHMENTS

Attachment "A":	County of Los Angeles Department of Public Health Reopening Protocol for Outdoor Playgrounds
Attachment "B":	County of Los Angeles Department of Public Health Guidance for Celebrating Halloween

Reopening Protocol for Outdoor Playgrounds

The County of Los Angeles Department of Public Health is adopting a staged approach, supported by science and public health expertise, to allow certain venues to safely reopen. The requirements below are specific to Outdoor Playgrounds permitted to be open by the Order of the State Public Health Officer. In addition to the conditions imposed on these specific venues by the Governor, these venues must also be in compliance with the conditions laid out in this Checklist.

This protocol applies to outdoor playgrounds located in parks, campgrounds, and other publicly accessible locations. Indoor playgrounds and family entertainment centers are not currently allowed to open.

An outdoor playground is defined as those playgrounds which are located fully outdoors, publicly accessible, free for entry and use, operated by a city, state, county, or federal government, designed primarily to serve nearby residents within a half a mile and typically includes recreational equipment, like play structures, slides, swings, etc. intended to enrich children's physical health and development. Outdoor playgrounds can provide state-mandated outdoor space for preschools, but their use should be scheduled in advance to avoid overlap with the public or with other schools.

City and County agencies reserve the right to keep a playground closed if infection control or physical distancing requirements cannot be safely adhered to.

Please note: This document may be updated as additional information and resources become available so be sure to check the LA County website http://www.ph.lacounty.gov/media/Coronavirus/ regularly for any updates to this document and related guidance.

This checklist covers:

(1) Workplace policies and practices to protect employee health
(2) Measures to ensure physical distancing
(3) Measures to ensure infection control
(4) Communication with employees and the public
(5) Measures to ensure equitable access to critical services

These five key areas must be addressed as your facility develops any reopening protocols.

All Outdoor Playgrounds covered by this guidance must implement all applicable measures listed below and be prepared to explain why any measure that is not implemented is not applicable.

Facility name: ______________________________

ATTACHMENT A

Facility Address: ______________________

A. MEASURES TO ENSURE PHYSICAL DISTANCING

- ❑ For play structures or areas that can hold more than 1 child, consider marking with tape or other visual indicators to help children assess whether they are 6 feet apart.
- ❑ Caregivers/Adults are reminded that they are required to keep children from different households at least 6 feet apart.
- ❑ If there is a pre-scheduled activity that will access the playground, the playground must be closed to the broader public during that time.
- ❑ Childcare programs, schools, out-of-school time programs and other programs for children and youth where children must remain in cohorts may not use playgrounds during times when they are open to the public. However, if the playground operator permits, the childcare, school or other program may reserve a time for the exclusive use of the playground by the program. While on the playground, cohorts must maintain separation and avoid mixing.

B. MEASURES FOR INFECTION CONTROL

- ❑ Visitors arriving at the playground are reminded through posted signs to wear a face covering at all times while at the playground. This applies to all adults and to children 2 years of age and older. Only individuals who have been instructed not to wear a face covering by their medical provider are exempt from wearing one but should consider the risks to themselves and others before deciding to come to an outdoor playground.
- ❑ Signage should also be posted at the playground stating that visitors with symptoms should not enter the premises.
- ❑ To the extent feasible, provide handwashing stations or sanitizer to facilitate hand hygiene, especially during times of heavy usage. Use a hand sanitizer containing (60% ethanol or 70% isopropanol). Never use hand sanitizers with methanol due to its high toxicity to both children and adults.
- ❑ Parents, caregivers, and adult supervisors should be prepared to provide hand sanitizer to their children before and after use of playground equipment.
- ❑ When choosing cleaning chemicals, playground operators should use products approved for use against COVID-19 on the Environmental Protection Agency (EPA)-approved N list and follow product instructions. Use disinfectants labeled to be effective against emerging viral pathogens, diluted household bleach solutions (5 tablespoons per gallon of water), or alcohol solutions with at least 70% alcohol that are appropriate for the surface. Provide employees training on manufacturer's directions and Cal/OSHA requirements for safe use. Workers using cleaners or disinfectants should wear gloves and other protective equipment as required by the product.
- ❑ Make sure all workers have been trained to use and have an adequate supply of all-purpose cleaners and disinfectants, when needed.

C. MEASURES THAT COMMUNICATE TO THE PUBLIC

- ❑ Online outlets of the playground (website, social media, etc.) provide clear information about, current protocols, required use of face coverings, infection control practices and physical distancing requirements.

- ❑ Facility operators should post signage at all outdoor playgrounds to remind visitors of the following physical distancing and infection control requirements:
  - Everyone 2 yrs of age or older should wear a face covering at all times while at the playground
  - Stay home if you are sick with fever, cough, shortness of breath or difficulty breathing.
  - No eating or drinking is allowed at the playground, to ensure face masks are worn at all times.
  - Adults or Caregivers are required to monitor their children and ensure that they maintain at least 6 feet of distance from others that are not part of their household.
  - Wash or sanitize hands before and after your visit to the playground.
  - Visits should be limited to 30 minutes when others are in the playground.
  - Elderly individuals and those persons with underlying medical conditions should be reminded to avoid the playground when others are present.

Any additional measures not included above should be listed on separate pages, which the business should attach to this document.

You may contact the following person with any questions or comments about this protocol:

Business Contact Name: ______________________________

Phone number: ______________________________

Date Last Revised: ______________________________

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Novel Coronavirus (COVID-19)

Los Angeles County Department of Public Health
Guidance for Celebrating Halloween

As fall approaches families start to plan for the upcoming holiday season beginning with Halloween. Since some of the traditional ways in which this holiday is celebrated does not allow you to minimize contact with non-household members, it is important to plan early and identify safer alternatives. The Los Angeles County Department of Public Health would like to share information on how to take part in this holiday in a manner that reduces the risk of spreading COVID-19. Since some of the traditional ways in which this holiday is celebrated are not permitted this year, consider some safer alternatives that are listed below.

Halloween Activities:

Not Permitted (gatherings and events are not currently allowed under the Health Officer Order)

- Halloween gatherings, events or parties with non-household members are not permitted even if they are conducted outdoors.
- Carnivals, festivals, live entertainment, and haunted house attractions are not allowed.

Not Recommended

- Door to door trick or treating is not recommended because it can be very difficult to maintain proper social distancing on porches and at front doors, ensure that everyone answering or coming to the door is appropriately masked to prevent disease spread, and because sharing food is risky.
- "Trunk or treating" where children go from car to car instead of door to door to receive treats is also not recommended, particularly when part of Halloween events, since it is difficult to avoid crowding and sharing food.

Permitted and Recommended

- Online parties/contests (e.g. costume or pumpkin carving)
- Car parades that comply with public health guidance for vehicle based parades including:
    a. Drive by events or contests where individuals dress up or decorate their vehicles and drive by "judges" that are appropriately physically distanced.
    b. Drive through events where individuals remain in their vehicles and drive through an area with Halloween displays.
    c. Drive in events where individuals can receive a treat bag (limited to commercially packaged non-perishable treats) or take away item from an organizer while the participants remain in their vehicle.
- Halloween movie nights at drive in theaters (must comply with the public health drive in movie theater guidance).
- Halloween themed meals at outdoor restaurants (must comply with the restaurant protocol).
- Halloween themed art installations at an outdoor museum (must comply with the public health museum guidance.)
- Dressing up homes and yards with Halloween themed decorations.

Novel Coronavirus (COVID-19)

Los Angeles County Department of Public Health
Guidance for Celebrating Halloween

Personal Protection Measures:

Regardless of how you choose to celebrate Halloween it is important to keep the following in mind:

1. Correctly wear a cloth face covering to prevent disease spread[1] when outside your home and around others that are not part of your household
2. Avoid confined spaces - Actively stay away from indoor spaces that don't allow for easy distancing of at least 6ft between you and others
3. Avoid close contact – Stay at least 6 feet away (3 or more adult steps) from all other people who are not part of your own household, especially while talking, eating, drinking, and singing.
4. Wash or sanitize your hands often.
5. Clean frequently touched items regularly.
6. If you are sick, or you have been in contact with someone who is sick with COVID-19 or has symptoms of COVID-19 stay home, and away from others.

Know where to get reliable information

Beware of scams, false news and hoaxes surrounding novel coronavirus. Accurate information, including announcements of new cases in LA County, will always be distributed by Public Health through press releases, social media, and our website. The website has more information on COVID-19 including FAQs, infographics and a guide to coping with stress, as well as tips on handwashing

- Los Angeles County Department of Public Health (LACDPH, County)
  - http://publichealth.lacounty.gov/media/Coronavirus/
  - Social media: @lapublichealth

Other reliable sources of information about novel coronavirus are:

- California Department of Public Health (CDPH, State)
  - https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/nCOV2019.aspx
- Centers for Disease Control and Prevention (CDC, National)
  - http://www.cdc.gov/coronavirus/novel-coronavirus-2019.html

If you have questions and would like to speak to someone call the Los Angeles County Information line 2-1-1 which is available 24 hours a day.

1 [1] Wear masks with two or more layers to stop the spread of COVID-19. Wear the mask over your nose and mouth and secure it under your chin. For more info, https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/about-face-coverings.html and http://publichealth.lacounty.gov/media/Coronavirus/docs/protection/GuidanceClothFaceCoverings.pdf

City of La Puente
AGENDA REPORT

To: Mayor and City Council — For meeting of: October 13, 2020

From: Bob Lindsey, City Manager

By: Roxanne E. Lerma, Director of Community Services

SUBJECT: PRESENTATION AND UPDATE REGARDING LA PUENTE PARK RULES AND USE

BACKGROUND/DISCUSSION

The City of La Puente's Community Services Department will provide an update regarding the park rules and use on behalf of the La Puente Park Rules and Use Ad Hoc Committee.

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council receive and file the presentation.

ATTACHMENTS

None.

City of La Puente
AGENDA REPORT

To:	Mayor and City Council	For meeting of: October 13, 2020
From:	Bob Lindsey, City Manager	
By:	Jeffrey D. Buckwell, Animal Control Supervisor	
SUBJECT:	PRESENTATION REGARDING COLLABORATION WITH H.E.A.R.T (HEALTHCARE & EMERGENCY ANIMAL RESCUE TEAM)	

BACKGROUND/DISCUSSION

The City of La Puente Animal Control Services, in collaboration with H.E.A.R.T (Healthcare & Emergency Animal Rescue Team) is proud to announce reoccurring AFFORDABLE VACCINE CLINICS and AFFORDABLE PET WELLNESS CLINICS, to be held monthly at the LP Community Center Parking Lot. Services will be provided at an extreme discount to serve those who are experiencing financial hardships, yet want the best vet care for their pets. The clinics will be "COVID-COMPLIANT" via a drive-thru method of pet drop-off and return.

VACCINE CLINICS:

Providing affordable vaccine and microchip services for the residents of La Puente and neighboring cities.

PET WELLNESS CLINICS:

Providing affordable pet examinations, dental, spay/neuter and minor surgery services for the residents of La Puente and neighboring cities.

PRESENTATION TO COUNCIL:

AC Staff shall provide Council a printed presentation covering:

- The H.E.A.R.T. Organization and its founders
- Breakdown of services provided
- Clinic schedules
- Marketing materials
- Future LP/HEART projects in the works

AC/Code Supervisor JD Buckwell shall provide a real-time video walk through to Council from the Community Center, as the next Clinic will be occurring at the same time of the upcoming Council meeting. The purpose of the live video segment shall be to:

- Show Council the operational layout/protocol of the Clinic
- Provide a quick walk-through of the HEART Medical RV Unit.
- Introduce to Council HEART Founders, Animal Behavioralist, Deborah Kopit, and Dr. Todd Kopit, DVM

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council receive and file the presentation.

ATTACHMENTS

None.

CITY OF LA PUENTE / H.E.A.R.T. AFFORDABLE PET WELLNESS & VACCINE CLINICS

Prepared by JD Buckwell, LP AC Supervisor   OCTOBER, 2020

ABOUT THE H.E.A.R.T ORGINIZATION

HEART Co-Founder, Deborah Kopit

H.E.A.R.T. - ***Healthcare & Emergency Animal Rescue Team*** is a non-profit 501(c)(3) organization dedicated to saving lives and improving pet and wild animal health, safety, and welfare. Through their mobile unit, they are ***"On the Road Saving Lives"*** by providing much needed medical care, rescue, adoption assistance, disaster response, education, and important resources for pet owners.

H.E.A.R.T.'s organization's roots center around the growth of communication and education which is the key to a better world for pets and their families.

H.E.A.R.T.'s mission is to:

- **Decrease the risk of zoonotic and other diseases and parasitic infestations through providing proper preventive pet health care**
- **Decrease the number of abused and neglected pets through providing medical care, educating the public and rehabilitating pets**
- **Decrease the number of unnecessary euthanasia and other fatalities by performing the above services**
- **Decrease the number of unwanted pets through spaying and neutering**

H.E.A.R.T. FOUNDERS

Dr. Todd Kopit, DVM and animal behaviorist, **Mrs. Deborah Kopit** expanded their journey and commitment to help as many animals and people as possible by founding "HEART", originally known as "Society for California Veterinary & Vaccine Care".

The Kopits owned and operated their private veterinary hospital in Orange County, California for over 20 years. It was in 2006 that they first began providing low-cost mobile pet health care services. As the demand for such affordable services grew, so did the Kopits' desire to reach out to help more pets and people.

Witnessing first-hand the tremendous over-population of domestic pets and the horrifying statistics of abuse, pet surrender, and euthanasia, the Kopits decided they could do so much more and on a much grander scale by going entirely "mobile". They pledged to make a positive impact by closing their hospital to better serve the growing needs of pet owners in so many communities. As such, in 2011 the Society for California Veterinary & Vaccine Care was formed.

In 2015, after months of dedicated hard work and at their own expense, the Kopits completed the conversion of their 40' motor home into a mobile surgical and emergency response unit and donated it to the SCVVC (now known as "HEART") to continue its mission helping protect pets, wildlife, and people. HEART has been

"On the Road Saving Lives" ever since.

La Puente

LICENSE & ENFORCEMENT ALERT RESPONSE TEAM ANIMAL

THE H.E.A.R.T. / LP COLLABORATION

While researching the community/fiscal benefits of TNR programs six months ago, LP AC sought the expertise of those who were well-known within the local pet care community, which led us to **Dr. Todd Kopit, DVM and his wife, animal behaviorist, Mrs. Deborah Kopit.** Their personal story and animal advocacy track record is well known throughout Southern California.

It only took the initial meeting to realize that The City of La Puente and HEART, working together, could do great things for the residents of La Puente and neighboring cities.

The three primary projects are:

1. **AFFORDABLE PET CARE/VACCINE CLINICS**
2. **LA PUENTE TNR PROGRAM** ***(in dev.)***
3. **COMMUNITY PET CARE COURSES** ***(in dev.)***

THE AFFORDABLE VACCINATION CLINICS

Our "Drive-Thru" Affordable Vaccine Clinics are the only COVID-Compliant drive-thru pet care clinics in Southern California.

By appointment only, our residents, and those of neighboring cities, will be able to receive much-needed affordable vaccinations and microchip services.

THE AFFORDABLE PET WELLNESS CLINICS

Our **“Drive-Thru” Affordable Pet Wellness Clinics** are also the only COVID-Compliant drive-thru pet care clinics in Southern California.

By appointment only, our residents, and those of neighboring cities, will be able to receive much-needed affordable vet care, such as physical exams, dental, spay/neutering and minor surgery.

H.E.A.R.T. CO-FOUNDER'S HIGH HONOR

Debora Kopit is the State of California's *WOMAN of the YEAR* for 2020!

California State Senator of the 29th District, the Honorable Ling Ling Chang, nominated Deborah Kopit for ***The State of California's WOMAN OF THE YEAR.***

In March of this year, Deborah was awarded this high honor.

THE CITY OF LA PUENTE & H.E.A.R.T.

WE ARE DEDICATED TO PROVIDING THE BEST, MOST AFFORDABLE PET WELLNESS SERVICES TO LA PUENTE'S RESIDENTS, AS WELL AS THOSE OF OUR NEIGHBORING CITIES!

(END OF PRESENTATION)

City of La Puente
AGENDA REPORT

To:	Mayor and City Council	For meeting of: October 13, 2020
From:	Bob Lindsey, City Manager	
By:	John Di Mario, Development Services Director Gisel Rubio, Rehabilitation Grant Specialist	
SUBJECT:	CONSIDERATION OF A RESOLUTION APPROVING PARTICPATION IN THE LOS ANGELES URBAN COUNTY PERMANENT LOCAL HOUSING ALLOCATION PROGRAM	

BACKGROUND

As the City Council is aware, the City is considered a "participating city" through the Los Angeles Urban County Program. La Puente receives federal Community Development Block Grant ("CDBG") funds through the Los Angeles County Development Authority ("LACDA") under this program.

Each year the City receives approximately $350,000 of CDBG funds to undertake activities and programs that benefit low- and moderate-income persons and/or eliminate slum and blight conditions in the City.

The City has utilized these funds for delivering activities and programs at the Senior Center, by offering grants to rehabilitate single family homes that are owned and occupied by low- and moderate-income households, for staffing of the Code Enforcement Division in low- and moderate-income residential areas of the City to identify property maintenance and code violations, and for one-time capital improvement projects such as the Valley Boulevard Wall.

The City has been notified that the LACDA applied for and was awarded funding of a grant from the California Department of Housing and Community Development ("HCD") under the Permanent Local Housing Allocation ("PLHA") Program. PLHA is an SB 2 funded program that provides an ongoing permanent source of funding through the State Property Transfer Fees to increase affordable housing stock in California. The LACDA, on behalf of the County, will administer the program and make available funding to Urban County Participating Cities to implement eligible housing programs.

DISCUSSION

The City is set to receive $213,514 for its 2020 allocation and it is anticipated that this annual funding level will continue over the next five (5) years. Participating Cities that wish to utilize these funds must identify a program(s) based on the eligible activities listed on Attachment A. The list of eligible activities includes many forms of providing permanent affordable housing. These include, but are not limited to, the following: acquisition, development, and rehabilitation costs for multifamily rental units; matching funds placed into Local or Regional Housing Trust; assisting persons who are experiencing or are at risk of becoming homeless; accessibility modifications in lower-income owner-occupied housing; and homeownership opportunities, including, but not limited to, down payment assistance programs.

Upon Staff's review of the complete list of eligible activities and taking into consideration the City's current lack of a first-time homebuyer down payment assistance program, Staff is recommending that this activity (number 9 on Attachment A) be identified for these funds.

Included as Attachment B is a Resolution that states the City's desire to participate in the PLHA Program beginning in January 2021 and approves the recommend down-payment assistance program for the City's use of these funds.

The City is required to submit the Resolution along with the required form by October 15, 2020 so that the Board of Supervisors can take action to amend the previously submitted PLHA Program to include the various activities selected by the participating cities.

Following formal approval by the County, Staff will begin the process of developing a down-payment assistance program for single-family homes in the City.

FISCAL IMPACT

It is anticipated that these funds will be allocated to the City similar to the CDBG program, which is structured on a reimbursement basis. There is no direct impact to the City's General Fund and it is anticipated that a portion of the funds can be charged to City personnel costs to manage, oversee, and deliver the program in the community.

RECOMMENDATION

It is recommended that the City Council: (1) adopt Resolution No. 20-5587 approving participation in the Los Angeles Urban County Permanent Local Housing Allocation Program; and (2) authorize the City Manager to execute all documents necessary to effectuate this matter.

ATTACHMENTS

Attachment "A": List of Eligible Activities
Attachment "B": Resolution No. 20-5587

ATTACHMENT A

PERMANENT LOCAL HOUSING ALLOCATION (PLHA)
LIST OF ELIGIBLE ACTIVITIES

Eligible activities for the formula allocations are:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary operating subsidies.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.
6. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
    A. This activity may include sub-awards to administrative entities as defined in HSC Section 50490(a)(1-3) that were awarded the CESH program or HEAP funds for rental assistance to continue assistance to these households.
    B. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8225(b)(8). An applicant allocated funds for the new construction, rehabilitation, and preservation of permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).
7. Accessibility modifications in lower-income owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing project.

RESOLUTION NO. 20-5587

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PUENTE, CALIFORNIA, APPROVING PARTICIPATION IN THE LOS ANGELES URBAN COUNTY PERMANENT LOCAL HOUSING ALLOCATION PROGRAM

WHEREAS, on August 22, 1974, the President of the United States signed into law the Housing and Community Development Act of 1974 ("Act"); and

WHEREAS, the primary goals of Title I of the Act are the development of viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income; and

WHEREAS, Permanent Local Housing Allocation is an SB2 funded program that provides ongoing permanent source of funding through the State Property Transfer Fees to increase affordable housing; and

WHEREAS, the City of La Puente wishes to participate in the Los Angeles County Permanent Local Housing Allocation Program beginning January 2021; and

WHEREAS, the City of La Puente has received notification of the availability of $213,514 in Permanent Local Housing Allocation (PLHA) funds to further the attainment of these goals during Fiscal Year 2020-21; and

WHEREAS, suggestions have been requested from City departments for the utilization of these funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA PUENTE HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Manager and/or his designee is authorized to adjust the program budget as necessary to take into account the final PHLA allocation and any amounts remaining unspent at the close of the fiscal year.

SECTION 3. That the City Manager and/or his designee is authorized to execute the contractual and related documents prepared by the County of Los Angeles that are required for the implementation of the projects/programs set forth herein.

SECTION 4. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 5. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 13th day of October, 2020, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

____
Charlie Klinakis, Mayor

ATTEST:

____
Sheryl Garcia, City Clerk