CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY
JOINT REGULAR MEETING

WEDNESDAY, SEPTEMBER 28, 2022 AT 5:00 PM

CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

CITY COUNCIL/PUBLIC FINANCING AUTHORITY

Kimberly A. Cobos-Cawthorne, Mayor/Chairperson
Angie M. Jimenez, Mayor Pro Tem/Vice Chairperson
Scarlet Peralta, Councilmember/Member
Salvador Melendez, Councilmember/Member
David N. Torres, Councilmember/Member

CITY MANAGER/EXECUTIVE DIRECTOR	CITY TREASURER	CITY ATTORNEY/AUTHORITY COUNSEL
René Bobadilla, City Manager	Rafael Gutierrez	Arnold M. Alvarez-Glasman

CITY CLERK/SECRETARY OF AUTHORITY

Christopher Jimenez

DEPARTMENT HEADS

Assistant City Manager	Arlene Salazar
Fire Chief	Fernando Pelaez
Police Chief	Paul Espinosa
Director of Finance	Michael Solorza
Director of Human Resources	Nicholas Razo
Director of Planning/Community Development	Joseph Palombi
Director of Public Works	James Enriquez
Director of Recreation and Community Services	David Sosnowski
Director of Transportation	Adrianna Kendricks
Director of Public Affairs and Information Technology	Michael Chee

NOTICES

COVID-19 NOTICE: The City Council rescinded the Declaration of the Local Emergency and the continuation of teleconferencing open meetings pursuant to AB 361 by adopting Resolution No. 22-21 on Wednesday, April 13, 2022. This City Council/Public Financing Authority Joint Regular Meeting ("Council"/"PFA") will be held in person and will meet at **City Hall – City Council Chambers, 1600 West Beverly Boulevard, Montebello, California.** The meeting will be live streamed and can be watched on the City's website and YouTube Channel via the following link: https://www.cityofmontebelloca.gov, and may also be viewed on Spectrum Public Access Channel 3 for all Spectrum cable subscribers, and Youtube.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act (ADA) any person with a disability who requires special accommodations in order to participate in a meeting should contact the Administration Office at (323) 887-1437 Monday-Thursday from 7:30 a.m.-5:30 p.m. Please call 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II 1203). If you require translation services, please contact the City Clerk's office 72 hours before this meeting. **Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 72 horas antes de esta reunión.** 如果您需要翻译服务，请在会议前 **72** 小时联系市书记员办公室

RULES OF DECORUM:
As Established by Ordinance 2443, adopted on October 27, 2021: Signs, placards, banners, horns, noise-making devices, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting. All persons attending a public meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting. No member of the audience shall willfully interrupt the orderly conduct at the meeting, this includes clapping or otherwise speaking from their seats. The presiding officer shall direct the removal of any individual whose willful interruption renders infeasible the orderly conduct of the meeting. In the event the removal of the individual or individuals willfully interrupting the meeting does not restore order, the presiding officer may order the meeting room cleared and continue in session. Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any person who becomes boisterous while addressing the Council/PFA or who otherwise disrupts the orderly conduct of the Council/PFA's business shall be subject to removal from the Chambers after being admonished by the presiding officer.

PUBLIC COMMENTS:
In-Person: For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council/PFA meetings, you may address the City Council/PFA in person the day of the meeting. Speakers will be required to fill out a speaker card provided at the door and turn it into the Deputy City Clerk prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. Closed Session begins at 5:00 p.m. and Regular Session begins no later than 6:00 p.m.

Via Email: The public may also submit emailed comments via the City's email address: ccpubliccomment@cityofmontebello.com, up until the day of the meeting, **Wednesday, September 28, 2022 by 3:00 p.m.** These comments will be submitted to all members of the City Council/PFA and may not be read aloud but will be entered into the record of the proceedings to the extent they relate to matters listed on the posted agenda or otherwise address matters/issues within the subject matter jurisdiction of the City Council/PFA. Any requests to provide public comment which is submitted after the deadlines indicated above will not be submitted to the City Council/PFA, with the exception of non-agenda written item comments which will be held over for the next regularly scheduled meeting.

AGENDA MATERIALS: The agenda and/or agenda packet are available for public inspection at City's website at: https://www.cityofmontebello.com/council-agendas.html.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE, ALL CELL PHONES AND PAGERS
THANK YOU FOR YOUR COOPERATION

OPENING CEREMONIES

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS FOR CLOSED SESSION ITEMS
At this time, the general public may address the City Council/PFA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

CLOSED SESSION 5:00 P.M.
The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

1. **THREAT TO PUBLIC SERVICES OR FACILITIES**
   Government Code Section 54957
   Consultation with City Manager, Police Chief, City Attorney and other related City officials.
2. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
   Government Code Section 54956.8
   Property: 901 Via San Clemente, Montebello CA
   Agency's Negotiator: René Bobadilla, City Manager
   Negotiating Party: Topgolf
   Under Negotiation: Price and Terms
3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
   Government Code Section 54957.9(d)(2)
   Eight matters
4. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
   Government Code Section 54956.9(d)(2)
   One item related to Infrastructure Engineering

REGULAR SESSION NO LATER THAN 6:00 P.M.

CLOSED SESSION REPORT

INVOCATION

PLEDGE OF ALLEGIANCE

CORRECTIONS TO THE AGENDA CITY MANAGER

CEREMONIAL/PRESENTATIONS

PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)
At this time, the general public may address the City Council/PFA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker.

State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

PUBLIC HEARING

5. ADOPT RESOLUTION NO 22-79 OF THE CITY COUNCIL AND RESOLUTION NO. 22-03 OF THE PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND CERTFICATES IN CONNECTION WITH THE ISSUANCE BY THE MONTEBELLO PUBLIC FINANCING AUTHORITY OF SERIES 2022B LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF SUCH BONDS, AND AUTHORIZING RELATED ACTIONS

It is recommended that the City Council and Public Financing Authority:

1) Hold a Public Hearing with respect to the issuance of the Series 2022B Lease Revenue Bonds ("2022B Bonds"); and

2) City Council adopt Resolution No. 22-79 Authorizing the Execution and Delivery of a Site Lease, Facility Lease, a Sublease, an Indenture, a Continuing Disclosure Certificate, and a Bond Purchase Agreement in Connection with the Issuance by the Montebello Public Financing Authority of Lease Revenue Bonds, Approving the Issuance of Such Bonds in One or More Series in an Aggregate Principal Amount of Not to Exceed $60,000,000, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of Such Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions; and

3) Montebello Public Financing Authority adopt Resolution No. 22-03 Authorizing the Execution and Delivery of a Site Lease, a Facility Lease, an Indenture, an Assignment Agreement, and a Bond Purchase Agreement in Connection with the Issuance by the Montebello Public Financing Authority of Lease Revenue Bonds, Approving the Issuance of Such Bonds in One or More Series in an Aggregate Principal Amount of Not to Exceed $60,000,000, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of Such Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions; and

4) Authorize the City Manager and/or his designee to take any other related actions necessary.

REGULAR BUSINESS - NONE

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

6. MONTEBELLO MUNICIPAL GOLF COURSE RENOVATION PROJECT (CP NO. 894) – IRRIGATION PUMP PURCHASE ORDER

It is recommended that the City Council:

1) By a four-fifths vote of the City Council, authorize the dispensing of a formal bidding procedure for the purchase of the irrigation pump station for the Montebello Municipal Golf Course Renovation Project (CP No. 894), in accordance with Montebello Municipal Code Chapter 3.20.050; and

2) Approve a Purchase Order with MCI Flowtronex in the amount not-to-exceed $295,000 for the irrigation pump station and authorize the City Manager to execute the Purchase Order; and

3) Take such additional, related, action that may be desirable.

7. **WAIVE SECOND READING AND ADOPT ORDINANCE NO. 2453 AMENDING MONTEBELLO MUNICIPAL CODE CHAPTER 2.20 TO ADD A MILITARY EQUIPMENT USE POLICY**

It is recommended that the City Council:

1) Waive the Second Reading of and adopt Ordinance No. 2453 establishing a Military Equipment Use Policy in compliance with Assembly Bill 481 ("AB 481"); and

2) Take such additional, related, action that may be desirable.

8. **APPROVE RECEIPT OF A GRANT AWARD FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY FISCAL YEAR 2021 ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM AND APPROPRIATE FUNDS IN FISCAL YEAR 2022-23**

It is recommended that the City Council:

1) Approve the appropriation of $183,848 awarded to the Fire Department by the Federal Emergency Management Agency (FEMA), Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program; and

2) Amend the Fiscal Year 2022-23 budget by increasing appropriations by $183,848 in Expense Account No. 265-85-857-6010.10 (Grants, Fire, Assistance to Firefighters Grant, Machinery and Equipment) and Revenue Account No. 265-99-4198.20 (Grants, Miscellaneous Grants, Assistance to Firefighters); and

3) Take such additional, related, action that may be desirable.

9. **AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-2) FOR THE MAINTENANCE HOSE REELS REPLACEMENT**

It is recommended that the City Council:

1) Approve issuing a Maintenance Hose Reels Request for Proposal, No. 23- 2 (RFP No. 23-2); and

2) Take such additional, related, action that may be desirable.

10. **ADOPT RESOLUTION NO. 22-74 TO APPROVE A TRANSIT ASSET MANAGEMENT PLAN FOR SUBMISSION TO THE FEDERAL TRANSIT ADMINISTRATION**

It is recommended that the City Council:

1) Adopt Resolution No. 22-74 to approve a Transit Asset Management (TAM) plan for submission to the Federal Transit Administration (FTA); and

2) Take such additional, related, action that may be desirable.

11. **APPROVE BLANKET PURCHASE ORDERS TO GALLS AND PROFORCE**

It is recommended that the City Council:

1) Authorize issuing annual Blanket Purchase Orders to Galls, LLC ("Galls") for uniforms and safety equipment through Fiscal Year 2024-25 in the amount of $23,000 per fiscal year ($69,000 over three fiscal years); and

2) Authorize issuing a one-time Blanket Purchase Order to ProForce Marketing, Inc. ("ProForce") for personal protective and less-lethal supplies/equipment purchases during Fiscal Year 2022-23 in the amount of $65,000; and

3) Authorize the City Manager to approve up to an additional $15,000 per vendor, per fiscal year, if necessary; and

4) Take such additional related activities that may be desirable.

12. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 22- 81 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED SEPTEMBER 28, 2022

It is recommended that the City Council:

1) Adopt Resolution No. 22-81 approving the Warrant Register dated September 28, 2022.

13. CONSIDERATION OF AGREEMENTS BETWEEN THE CITY AND QUIET CANNON RELATING TO THE MONTEBELLO GOLF COURSE PROJECTS

It is recommended that the City Council:

1) That the City Council review and consider approval of the agreements with Quiet Cannon as presented by staff (various agreements to be provided prior to the City Council meeting).

AB 1234 TRAVEL REPORTS

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

COUNCIL ORALS

Council member announcements; requests for future agenda items; conference/meetings reports.

- **David N. Torres, Councilmember**
  1) Request for Council consensus to direct staff to draft an emergency ordinance relating to the registration of campaign signage responsible parties, and other regulations relating to their proper placement and removal.
  2) Comments on Mayor and Mayor Pro Tem repeated campaign rule violations.
  3) Request for bicycle parking at City Hall and other properties.

- **Salvador Melendez, Councilmember**

- **Scarlet Peralta, Councilmember**
  1) Partnership with ELAC Public Safety Academy.
  2) Requesting information on how the city addresses the fixing of damaged public driveways in residential areas.

- **Angie M. Jimenez, Mayor Pro Tem**

- **Kimberly A. Cobos-Cawthorne, Mayor**

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on October 12, 2022 at 5:00 p.m.** which can be live streamed at www.cityofmontebello.com (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, September 25, 2022 5:00 p.m.**



Alicia Fernandez, Senior Deputy City Clerk

ITEM # 5

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Michael Solorza, Director of Finance

SUBJECT: **ADOPT RESOLUTION NO 22-79 OF THE CITY COUNCIL AND RESOLUTION NO. 22-03 OF THE PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND CERTFICATES IN CONNECTION WITH THE ISSUANCE BY THE MONTEBELLO PUBLIC FINANCING AUTHORITY OF SERIES 2022B LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF SUCH BONDS, AND AUTHORIZING RELATED ACTIONS**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council and Public Financing Authority:

1) Hold a Public Hearing with respect to the issuance of the Series 2022B Lease Revenue Bonds ("2022B Bonds"); and

2) City Council adopt Resolution No. 22-79 Authorizing the Execution and Delivery of a Site Lease, Facility Lease, a Sublease, an Indenture, a Continuing Disclosure Certificate, and a Bond Purchase Agreement in Connection with the Issuance by the Montebello Public Financing Authority of Lease Revenue Bonds, Approving the Issuance of Such Bonds in One or More Series in an Aggregate Principal Amount of Not to Exceed $60,000,000, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of Such Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions; and

3) Montebello Public Financing Authority adopt Resolution No. 22-03 Authorizing the Execution and Delivery of a Site Lease, a Facility Lease, an Indenture, an Assignment Agreement, and a Bond Purchase Agreement in Connection with the Issuance by the Montebello Public Financing Authority of Lease Revenue Bonds, Approving the Issuance of Such Bonds in One or More Series in an Aggregate Principal Amount of Not to Exceed $60,000,000, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of Such Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions; and

4) Authorize the City Manager and/or his designee to take any other related actions necessary.

FISCAL IMPACT:

The Series 2022B Lease Revenue Bonds (Series 2022B) are being issued to finance the costs to design and construct a driving range and entertainment venue (the "Project") to be operated by TopGolf International ("Topgolf Montebello"). The Project will modernize the golf playing experience, and have a positive economic impact from the synergy of the Project and the recently approved improvements to the City Golf Course, coupled with two City-owned hotels and an adjacent conference center, which in turn will create a positive revenue outcome for the entire "golf course campus" located at Garfield and Via Campos.

TopGolf will be required to pay all annual debt service related to the financing of the Project – described as "improvement rent" in the attached Sublease (Attachment G). In addition, there is a ground lease payment (i.e., "ground lease") that will be paid annually by TopGolf for use of the City property. For years one through five of operation, the base rent will be $1,150,000 annually, increasing to $1,250,00 annually in years six through ten, $1,500,000 annually in years eleven through fifteen, and $1,650,000 annually in years sixteen through twenty (Attachment G, Exhibit L). There is an escalator for the base rents that applies to years twenty-one and later.

In addition to the base rent, the TopGolf Montebello facility will also generate sales tax revenue through the rental of driving range bays and sales of food and beverage and merchandise. Overall, this Project will create a positive revenue situation, coupled with the recently approved Golf Course Renovation Project (see City Council meeting of September 14, 2022).

These two projects, working synergistically, will generate sufficient revenue to eliminate the General Fund subsidy of the Golf Course, as well as pay the annual debt service on the Golf Course Renovation Project Lease Revenue Bonds, Series 2002A. Furthermore, as the Sublease states (Attachment G), TopGolf will be solely responsible for all debt service payments required for the financing of the design and construction of the project (Attachment G).

In accordance with California Government Code Section 5852.1, good faith estimates are provided with respect to the various costs associated with the 2022B Bonds

(Attachment A). Based on taxable interest rates as of September 20, 2022 (and a True Interest Cost of 5.80%), in order to generate Project proceeds of $45 million, cash fund a Debt Service Reserve Fund, fund Capitalized Interest through May, 2024, and fund Costs of Issuance, it is estimated that the Authority will issue approximately $54.965 million in 2022B Lease Revenue Bonds over a 21-year term (final maturity of November, 2043).

Total net debt service (which is total debt service net of interest payments to be made from the Capitalized Interest Fund through May, 2024 and net of the cash-funded Debt Service Reserve Fund balance liquidated to pay the bond's final year of debt service) is estimated to be approximately $87.5 million. Annual net debt service is estimated to be approximately $3.16 million in 2024, and average annual debt service from 2025 through 2043 is estimated to be approximately $4.7 million.

As noted above, annual debt service (i.e., "improvement rent") will be paid entirely by TopGolf. The Sublease agreement (Attachment G) puts in place terms and requirements for payment of the improvement rent. For example, TopGolf will be required to submit payment for each bi-annual (twice per year) debt service payment no less than ninety (90) days before it is due. Furthermore, these payments will be made directly to the bond trustee (i.e., BNY Mellon). This arrangement creates an assurance that the City is not using its funds to pay debt service, and that the funds will be deposited with the trustee in sufficient time to meet the debt service payment dates (i.e, May 1 and November 1 annually).

Furthermore, the Sublease is backed by a Guaranty (Attachment G, Exhibit H) which provides financial security for payment of the debt service. The Guarantor is TopGolf International, which has the backing of the recently formed TopGolf-Callaway company. This financial guarantee, vetted by the City's financial advisor, bond counsel and City Attorney's office, will not only provide assurance to the City, but comfort to the market when the 2022B Bonds are offered.

BACKGROUND:

Addressing the General Fund Subsidy

The City Golf Course has operated at a deficit for more than a decade, requiring the City's General Fund to subsidize the Golf Course's operations on an annual basis. City Staff began researching a path to update the 118-acre City Golf Course in a manner that would be a revenue surplus operation and not require subsidies from the City's General Fund while also modernizing the playing experience. An initial study and mitigated negative declaration ("MND") were produced in 2019 that provided a new vision for the Golf Course. The MND outlined a proposal to upgrade and modernize the Golf Course with the construction of the Project — a new driving range complex on approximately 18 acres, as well as other additional improvements to 72.5 acres – financing for which was recently approved at the September 14, 2022 City Council meeting.

The City has determined that the Project, together with other improvements to the City Golf Course that will be constructed separately, will have a positive economic impact to

the City. The City also expects the Project will generate significant additional sales tax revenues through food, beverage, gameplay, and merchandise sales once the Project opens for business. In addition, there is a ground lease payment (separate and distinct from the debt service "improvement rent" payment) that TopGolf will make annually. This payment, which begins at $1,150,000 per year and escalates every five years (Attachment G, Exhibit L).

Taken together – the TopGolf Project and recently approved Golf Course Renovation Project – these new operations will re-invigorate the 118 acre golf course, turning it into a revenue generator. The ultimate goal of these two projects is to re-imagine what a public golf course looks like in 2022, creating a public space that provides new golfing experiences for all ages, while eliminating the decade plus subsidy the General Fund has provided to the Golf Fund.

Since Fiscal Year 2010-11, the General Fund has provided over $8.0 million in subsidies to the Golf Fund. This is revenue that could have been used for community-wide endeavors such as street paving, facility improvements, purchase of emergency vehicles, and expansion of services. Moreover, the State Auditor, in their December, 2018 report recommended the City do something to address this ongoing subsidy.

The first step towards addressing the State Auditor recommendation, and creating a new public golf experience, was the approval of $15.140 million in Lease Revenue Bonds, Series 2022A for the Golf Course Renovation at the September 14, 2022 City Council meeting. The financing of the TopGolf Project will be the next step in a complete overhaul of the 118 acre golf course, setting in motion the creation of a new entertainment destination of which Montebello can be proud.

TopGolf Montebello

After reviewing proposals from developers and operators with demonstrated success in the market, the City entered into an Exclusive Negotiating Agreement ("ENA") with TopGolf on December 21, 2020. The City and TopGolf explored the feasibility and potential terms and conditions associated with developing and operating a project on the City Golf Course substantially similar to that described in the MND. Subsequent to the ENA, the City and TopGolf entered into a Sublessee Development and Participation Agreement on March 24, 2021 ("SDPA") to define the basic terms by which the City and TopGolf would agree to construct and operate the Project. The SDPA outlined the responsibilities of both parties for seeking financing and paying debt service throughout the life of the Project.

Since that time, the City's team – financial advisor, bond counsel, City Attorney, underwriter, etc. – has worked closely with the TopGolf team to draft a sublease, guarantee and numerous other documents necessary to effectuate the financing and construction of the TopGolf Montebello facility. Over a three year period, much work has gone into this project, with both sides working together to create a concept and financing arrangement that will bring a state of the art driving range entertainment complex to Montebello.

Specifically, TopGolf Montebello will be a 68,000 square foot TopGolf-branded commercial driving range and entertainment venue which is expected to include a full-service restaurant, event space, and other associated amenities. The Project will include, among other things: a three (3)-story driving range complex/structure with approximately 102 hitting bays; restaurant and entertainment amenities; outdoor seating/patio areas; a parking lot; a miniature golf course; and common facilities, including a driveway that provides access from Via San Clemente, on approximately 15 acres.

Groundbreaking for the Project is expected to begin in early November 2022. The following schedule contains approximate estimates of construction milestones expected to be completed during a 13-month construction period prior to the expected grand opening of the Project to the public at the end of 2023.

Estimated Project Construction Schedule

Activity	**Milestone Date**
Groundbreaking	11/07/2022
City Utility Extension Completion	12/23/2022
City Common Drive Completion	08/25/2023
Substantial Completion	11/20/2023
Grand Opening	12/29/2023

It should be noted that the Golf Course Renovation Project has an estimated opening date of September, 2023. The goal is to have these two projects up and running at approximately the same time, drawing energy from each other and creating an entertainment and sports destination for Montebello and the surrounding area.

City Staff also met with TopGolf staff to discuss the feasibility study performed for this project, a study that helps ensure that TopGolf Montebello will be successful. While the nature of this study is proprietary, it can be shared that the population of the local area – defined as those located within 10 and 20 mile radius' of Montebello – is more than sufficient to support such a facility. Additional demographic research and data provide assurances that this project is situated in an advantageous location. Moreover, TopGolf has conducted research that shows the greater Southern California area can support this facility, in addition to the two recently opened venues in El Segundo and Ontario.

<u>The Bonds</u>
The 2022B Lease Revenue Bonds, issued to fund the construction of the Project, are payable from Lease Payments made by the City to the Public Financing Authority under the Facility Lease (Attachment F), pursuant to which the City will lease the Facility (consisting of the Project and the Site of the Project) from the Authority. The goof faith estimate (Attachment A) states that the aggregate principal amount of the 2022B Bonds

to be sold is $54,965,000, and the authorizing resolutions indicate a not to exceed principal amount of $60million (Attachments B and C).

Additionally, the City and TopGolf will enter into a Sublease Agreement (the "Sublease", Attachment G), pursuant to which TopGolf will sublease the Facility from the City. Under the terms of the Sublease, the City will collect sublease payments (i.e., improvement rent, or debt service) from TopGolf 90 days before each improvement rent payment is due, through the final maturity of the 2022B Bonds.

The attached Sublease also sets forth a schedule of "base rent" payments that TopGolf will pay to the City for use of the Project. This "base rent" amount is separate and in addition to the "periodic principal and interest payments" TopGolf will be obligated to pay in connection with the issuance of the 2022B Bonds. Additionally, under the Guaranty (Attachment G, Exhibit H), TopGolf International pledges to guaranty the payments under the Sublease.

ENVIRONMENTAL IMPACT:

The reasonably foreseeable environmental impacts of the Project have been analyzed pursuant to the requirements of the California Environmental Quality Act ("CEQA") by way of that certain "Initial Study and Mitigated Negative Declaration for the Montebello Golf Couse Driving Range Relocation Project," dated December 12, 2019 (the "MND"). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of City of Montebello Planning Commission Resolution No. 6-22 in the manner required by CEQA, and a notice of determination was timely posted and published in the manner required by law.

ANALYSIS:

The Resolutions – Attachments B and C – along with the additional attachments noted below, accomplish the following:

1. Appoints and retains the financing team (Urban Futures, Inc., as Municipal Advisor, Stradling Yocca Carlson & Rauth as Bond Counsel, Quint & Thimmig LLP as Disclosure Counsel, and The Bank of New York Mellon Trust Company as Trustee);

2. Approves all actions needed to authorize the issuance and sale of the 2022B Lease Revenue Bonds;

3. Approves execution and delivery of all documents needed to authorize the issuance and sale of the 2022B Bonds, including the form financing documents described below, together with any changes or additions deemed advisable and approved by the Mayor, the Mayor Pro Tem (in the Mayor's absence), the City Manager, the Finance Director, or their authorized designees ("Authorized Officers");

Indenture among the Authority, the City, and the Trustee which sets forth the material terms and provisions relating to the 2022B Bonds (Attachment D).

Site Lease between the City as lessor and the Authority as lessee, whereby the City leases the Leased Property to the Authority in consideration of the payment by the Authority to the City of an upfront rental payment (Attachment E).

Facility Lease between the Authority as lessor and the City as lessee, whereby the Authority subleases the Leased Property back to the City in consideration of the payment by the City of Lease Payments (Attachment F).

Sublease Agreement between the City and Topgolf, whereby the City will sublease the Facility to Topgolf in consideration of the payment by Topgolf of base rent payments and improvement rent payments structure to be sufficient to pay debt service on the 2022B Bonds (Attachment G).

Assignment Agreement between the Authority and the Trustee, whereby the Authority assigns certain of its rights, including its right to receive the Lease Payments, to the Trustee for the benefit of the 2022B Bond owners (Attachment H).

Bond Purchase Agreement among the City, the Authority, and the underwriter, Cabrera Capital Markets, LLC, which provides the terms and provisions by which the 2022B Bonds will be sold with a negotiated method of sale. Such terms and provisions include a true interest cost of the 2022B Bonds which shall not exceed 7.0% and the underwriter's discount which shall not exceed 0.80% of the aggregate initial principal amount of the 2022B Bonds (Attachment I).

Preliminary Official Statement to be distributed to prospective purchasers of the 2022B Bonds which must contain all facts material to the 2022B Bonds, the City, and the Project (with certain permitted exceptions to be completed in the final Official Statement) and must not omit any material facts (Attachment J).

Continuing Disclosure Certificate executed by the City, whereby the City agrees to provide certain annual reports to investors in order to allow the underwriter to comply with federal securities laws (Attachment K).

Public Hearing

In accordance with California Government Code Section 6586.5, the City must hold a public hearing to consider public testimony concerning the possible issuance of 2022B

Lease Revenue Bonds by the Public Financing Authority (the "Authority") to finance the costs of the Project. The Resolutions approve the issuance of the 2022B Bonds by the Authority and find that there are significant public benefits in connection with financing the Project with the proceeds of the 2022B Bonds.

This meeting has been convened as a joint meeting of the City Council and the Authority Board of Directors in order to allow the City Council, and the Council Members acting in their capacity as the Authority Board, to hold the hearing as described above and consider adoption of a Resolution of each body authorizing the issuance of the 2022B Bonds, approving the form of related financing documents, and taking related actions.

DISCUSSION:

N/A

SUMMARY:

Staff is recommending that the City Council adopt Resolution No. 22-79 and the Authority adopt Resolution No. 22-03 Authorizing the Execution and Delivery of Documents and Certificates in Connection with the Issuance of Series 2022B Lease Revenue Bonds, Approving the Issuance of Such Bonds, Authorizing the Distribution of an Official Statement in Connection with the Sale of Such Bonds, and Authorizing Related Actions.

ATTACHMENT(S)

1. ATTACHMENT A - Montebello 2022B LRB Good Faith Estimates
2. ATTACHMENT B - City Resolution No. 22-79
3. ATTACHMENT C - Public Financing Authority Resolution No. 22-03
4. ATTACHMENT D - Indenture
5. ATTACHMENT E - Site Lease
6. ATTACHMENT F - Facility Lease
7. ATTACHMENT G - TopGolf Sublease Lease - Agenda Version (9.22.22) FINAL
8. ATTACHMENT H - Assignment Agreement
9. ATTACHMENT I - Montebello 2022B Bond Purchase Agreement
10. ATTACHMENT J - MontebelloPOS, 09_21_2022
11. ATTACHMENT K - Form of Continuing Disclosure Cert, 09_21_2022

NEXT STEPS:

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2022B Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Urban Futures, Inc., as municipal advisor to the City (the "Municipal Advisor"), each with respect to the 2022B Bonds, and are based on interest rates provided by Cabrera Capital Markets, LLC, as of September 20, 2022.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2022B Bonds to be sold is $54,965,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2022B Bonds, 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 2022B Bonds, is 5.80%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2022B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2022B Bonds), is $816,752.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2022B Bonds, less the finance charge of the 2022B Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2022B Bonds, is $45,000,000.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its 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 2022B Bonds (which payments are net of interest to be paid from the capitalized interest fund and net of the final bond payments to be paid from the debt service reserve fund), plus the finance charge for the 2022B Bonds, as described above, not paid with the proceeds of the 2022B Bonds, calculated to the final maturity of the 2022B Bonds, is $87,529,668.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2022B Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount

with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2022B Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2022B Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2022B Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2022B Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2022B Bonds and the actual principal amount of 2022B Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2022B Bonds and other factors. The actual interest rates borne by the 2022B Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2022B Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

RESOLUTION NO. 22-79

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITY LEASE, AN INDENTURE, A CONTINUING DISCLOSURE CERTIFICATE, AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE MONTEBELLO PUBLIC FINANCING AUTHORITY OF LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $60,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A SUBLEASE WITH TOPGOLF USA MB, LLC AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

RECITALS

WHEREAS, the City of Montebello, California (the "City"), is a general law city duly organized and existing under the laws of the State of California (the "State");

WHEREAS, the City desires to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project;

WHEREAS, the Montebello Public Financing Authority (the "Authority") and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the "Montebello Public Financing Authority Lease Revenue Bonds (Topgolf Project) (Federally Taxable)" in one or more series from time to time (the "Bonds") for the purpose of financing the Project;

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Site Lease between the City and the Authority (the "Site Lease") pursuant to which the City will lease certain real property (which real property shall consist of assets generally described as an approximately 15 acre area located at the Montebello Golf Course located at 901 Via San Clemente in the City (the "Site") to the Authority, and a Facility Lease between the City and the Authority (the "Facility Lease") pursuant to which the City will lease the Site and the Project (together with the Site, the "Facility") from the Authority, and make certain Lease Payments (as defined in the Facility Lease) to the Authority, which Lease Payments will be pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the City and the Authority (the "Indenture");

WHEREAS, during the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company ("Topgolf") under a lease agreement with the City in accordance with, inter alia, Section

37396 of the Government Code;

WHEREAS, to set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act");

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds;

WHEREAS, the City and the Authority have selected Cabrera Capital Markets, LLC, as the underwriter (the "Underwriter") of the Bonds, and in connection therewith, to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement");

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the City has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain enumerated events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the City desires to enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the Bonds;

WHEREAS, a form of the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement") has been prepared;

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City;

WHEREAS, the City has, prior to the consideration of this resolution, held a public hearing on the financing of the Project with the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Act, which hearing was held at 1600 W. Beverly Boulevard, Montebello, California 90640;

WHEREAS, notice of such hearing was published once in the Montebello News, a newspaper of general circulation in the City, at least five days prior to the hearing (in accordance with Section 6586.5 of the Act);

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

such financing;

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. Findings. Each of the above recitals is true and correct. Following a duly noticed and conducted public hearing, and based on the evidence and testimony offered during such hearing, the City Council hereby finds and determines that there are significant public benefits to the citizens of the City through the use of the Act to assist the City with respect to the subject matter hereof through the approval of the issuance of the Bonds and otherwise hereunder within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs and more efficient delivery of local agency services to residential and commercial development.

SECTION 2. Site Lease and Facility Lease. The forms of the Site Lease and Facility Lease, on file with the City Clerk, are hereby approved, and the Mayor of the City (or in her absence, the Mayor Pro Tem), the City Manager, the Finance Director of the City, or their authorized designees (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Site Lease and Facility Lease in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, including any change to the Lease Payment Dates under the Facility Lease (as defined therein), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Site Lease and Facility Lease shall terminate no later than November 1, 2052 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Lease Payments payable by the City pursuant to the Facility Lease shall not exceed 7.00%.

SECTION 3. Sublease. The form of the Sublease, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Sublease in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, including any change to the rent payment schedules under the Sublease, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however that the Base Rent and Sublease term shall be as set forth in the form of Sublease on file with the City Clerk and the final executed Sublease shall provide for Topgolf to make Improvement Rent payments to the City which are sufficient in time and amount to enable the City to make Lease Payments when due under the Facility Lease.

SECTION 4. Indenture. The form of the Indenture, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, including any change to the Interest Payment Dates thereunder (as defined in the Indenture), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed $60,000,000, the final maturity date of the Bonds shall be no later than November 1, 2052, and the true interest cost applicable to the Bonds shall not exceed 7.00%; provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

SECTION 5. Bond Purchase Agreement. The Bond Purchase Agreement, on file with the City Clerk, is hereby approved and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the acceptance thereof set forth in the Bond Purchase Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriters' discount in excess of 0.80% of the aggregate principal amount of the Bonds (not including any original issue discount or premium).

SECTION 6. Principal Amount. The issuance of not to exceed $60,000,000 aggregate principal amount of the Bonds, in one or more series, in the principal amount, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

SECTION 7. Preliminary Official Statement. The form of the Preliminary Official Statement, on file with the City Clerk, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain information as permitted by Rule 15c2-12). The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective investors for the Bonds a reasonable number of copies of the Preliminary Official Statement.

SECTION 8. Official Statement. The preparation and delivery of the Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

SECTION 9. Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Professionals. The City Council hereby approves and appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, Quint & Thimming LLP, as Disclosure Counsel, Urban Futures Inc., as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, each to provide such services to the City as may be required to issue the Bonds. The Authorized Officers are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

SECTION 11. Municipal Bond Insurance. Each of the Authorized Officers is authorized to select a municipal bond insurer to insure payments of the principal of and interest on the Bonds and to provide a reserve account insurance policy, so long as such Authorized Officer determines that obtaining the municipal bond insurance policy and/or reserve account insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Site Lease, the Facility Lease, the Sublease, and Bond Purchase Agreement, and Disclosure Counsel is hereby directed to make all changes to the Preliminary Official Statement and the final Official Statement, as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

SECTION 12. Other Actions. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, adding property to, substituting property for or removing property from the Leased Property, taking any and all actions in order to clear any title exceptions to the Leased Property, and negotiating the terms of, and executing and delivering such additional agreements, certificates, disclosures and other instruments as may be necessary or appropriate to consummate the transactions contemplated by this Resolution. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 13. Good Faith Estimates. In accordance with Government Code Section 5852.1, there has been presented to this City Council in the Staff Report accompanying this Resolution certain good faith estimates provided to the City by its Municipal Advisor with respect to the Bonds. The City Council hereby finds that the requirements of Section 5852.1 have been satisfied.

SECTION 14. CEQA. The City has analyzed the reasonably foreseeable environmental impacts of the Project pursuant to the requirements of the California Environmental Quality Act ("CEQA") by way of that certain "Initial Study and Mitigated

Negative Declaration for the Montebello Golf Couse Driving Range Relocation Project," dated December 12, 2019 (the "MND"). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of Planning Commission Resolution No. 6-22 in the manner required by CEQA, and a notice of determination was timely posted and published in the manner required by law

SECTION 15. Effective Date. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED this 28th of September, 2022, by the following vote:

AYES:
NOES:

_____
Kimberley A. Cobos-Cawthorne, Mayor

ATTEST:

_____
Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-__ was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 28th day of September, 2022 and that said Resolution was adopted by the following vote, to wit:

AYES:
NOTES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____ _____
Christopher Jimenez, City Clerk

RESOLUTION NO. 22-03

RESOLUTION OF THE MONTEBELLO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITY LEASE, AN INDENTURE, AN ASSIGNMENT AGREEMENT, AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE MONTEBELLO PUBLIC FINANCING AUTHORITY OF LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $60,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

RECITALS

WHEREAS, the City of Montebello, California (the "City") desires to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project;

WHEREAS, the Montebello Public Financing Authority (the "Authority") and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the "Montebello Public Financing Authority Lease Revenue Bonds (Topgolf Project) (Federally Taxable)" in one or more series from time to time (the "Bonds") for the purpose of financing the Project; and

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Site Lease between the City and the Authority (the "Site Lease") pursuant to which the City will lease certain real property (which real property shall consist of assets generally described as an approximately 15 acre area located at the Montebello Golf Course located at 901 Via San Clemente in the City (the "Site") to the Authority, and a Facility Lease between the City and the Authority (the "Facility Lease") pursuant to which the City will lease the Site and the Project (together with the Site, the "Facility") from the Authority, and make certain Lease Payments (as defined in the Facility Lease) to the Authority, which are pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the City and the Authority (the "Indenture"); and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement (the "Assignment Agreement") in order to provide, among other things, that all rights to receive the Lease Payments have been assigned without recourse by the Authority to the Trustee;

WHEREAS, during the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company

("Topgolf") under a lease agreement with the City in accordance with, *inter alia,* Section 37396 of the Government Code;

WHEREAS, to set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act");

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds;

WHEREAS, the City and the Authority have selected Cabrera Capital Markets, LLC, as the underwriter (the "Underwriter") of the Bonds, and in connection therewith, to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement");

WHEREAS, a form of the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement") has been prepared;

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City;

WHEREAS, the City has, prior to the consideration of this resolution, held a public hearing on the financing of the Project with the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Act, which hearing was held at 1600 W. Beverly Boulevard, Montebello, California 90640 on September 28, 2022;

WHEREAS, notice of such hearing was published once in the Montebello News, a newspaper of general circulation in the City, at least five days prior to the hearing in accordance with Section 6586.5 of the Act;

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") has been presented with the form of each document referred to herein, and the Board of Directors desires to authorize and direct the execution of such documents and the consummation of such financing; and

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

NOW, THEREFORE, THE MONTEBELLO PUBLIC FINANCING AUTHORITY HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. Findings. All of the recitals herein contained are true and correct and the Board of Directors so finds. Following a duly noticed and conducted public hearing, and based on the evidence and testimony offered during such hearing, the Board of Directors has determined and hereby finds that the Authority's assistance in financing the Project by the issuance of the Bonds will result in significant public benefits of the types described in Section 6586 (a) through (d), inclusive, of the Act, in that the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs and more efficient delivery of local agency services to residential and commercial development.

SECTION 2. Site Lease and Facility Lease. The forms of the Site Lease and Facility Lease, on file with the Secretary of the Authority, are hereby approved, and the Chair (or in her absence, the Vice Chair) the Executive Director, and the Treasurer of the Authority, and any designee thereof (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease and the Facility Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, including any change to the Lease Payment Dates under the Facility Lease (as defined therein), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Site Lease and Facility Lease shall terminate no later than November 1, 2052 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Lease Payments shall not exceed 7.00%.

SECTION 3. Indenture. The form of the Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, including any change to the Interest Payment Dates thereunder (as defined in the Indenture), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed $60,000,000, the final maturity date of the Bonds shall be no later than November 1, 2052, and the true interest cost applicable to the Bonds shall not exceed 7.00%; provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

SECTION 4. Principal Amount. The issuance of not to exceed $60,000,000 aggregate principal amount of the Bonds, in one or more series, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

SECTION 5. Assignment Agreement. The form of the Assignment Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such

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

SECTION 6. Bond Purchase Agreement. The Bond Purchase Agreement on file with the Secretary of the Authority is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriters' discount in excess of 0.80% of the aggregate principal amount of the Bonds (not including any original issue discount or premium).

SECTION 7. Preliminary Official Statement. The form of the Preliminary Official Statement, on file with the Secretary of the Authority, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (except for the omission of certain information as permitted by such Rule 15c2-12). The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective investors for the Bonds a reasonable number of copies of the Preliminary Official Statement.

SECTION 8. Official Statement. The preparation, execution and delivery of the Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

SECTION 9. Professionals. The Board of Directors hereby approves and appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, Quint & Thimmig LLP as Disclosure Counsel, Urban Futures Inc., as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, each to provide such services to the Authority as may be required to issue the Bonds. The Authorized Officers are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

SECTION 10. Municipal Bond Insurance. Each of the Authorized Officers is authorized to select a municipal bond insurer to insure payments of the principal of and interest on the Bonds and to provide a reserve account insurance policy, so long as such

Authorized Officer determines that obtaining the municipal bond insurance policy and/or reserve account insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Site Lease, the Facility Lease, the Sublease, and the Bond Purchase Agreement, and Disclosure Counsel is hereby directed to make all changes to the Preliminary Official Statement and the final Official Statement, as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

SECTION 11. Other Actions. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including but not limited to, adding property to, substituting property for, or removing property from the Leased Property, taking any and all actions in order to clear any title exceptions to the Leased Property, and negotiating the terms of, and executing and delivering such additional agreements, certificates, disclosures and other instruments may be necessary or appropriate to consummate the transactions contemplated by this Resolution. The form of the Sublease on file with the Authority Secretary is hereby approved, subject to such revisions as may be made by authorized officers of the City, in their discretion. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 12. Good Faith Estimates. In accordance with Government Code Section 5852.1, there has been presented to this Board of Directors in the Staff Report accompanying this Resolution certain good faith estimates provided to the Authority by its Municipal Advisor with respect to the Bonds. The Board of Directors hereby finds that the requirements of Section 5852.1 have been satisfied.

SECTION 13. CEQA. The Board of Directors finds that the reasonably foreseeable environmental impacts of the Project have been analyzed pursuant to the requirements of the California Environmental Quality Act ("CEQA") by way of that certain "Initial Study and Mitigated Negative Declaration for the Montebello Golf Couse Driving Range Relocation Project," dated December 12, 2019 (the "MND"). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of City of Montebello Planning Commission Resolution No. 6-22 in the manner required by CEQA, and a notice of determination was timely posted and published in the manner required by law.

SECTION 14. Effective Date. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED this 28th day of September, 2022, by the following vote:

AYES:
NOES:

_____
Kimberley A. Cobos-Cawthorne, Chair

ATTEST:

_____
Christopher Jimenez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, Secretary of the Montebello Public Financing Authority, hereby certify that the foregoing Resolution No. 22-__ was passed and adopted by the Board of Directors of the Montebello Public Financing Authority, signed by the Chair and attested by the Secretary at a regular meeting of said Board held on the 28th day of September, 2022 and that said Resolution was adopted by the following vote, to wit:

AYES:
NOTES:
ABSTAIN:
ABSENT:

The undersigned, Secretary of the Montebello Public Financing Authority, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said Authority which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Christopher Jimenez, Secretary

INDENTURE

by and among

MONTEBELLO PUBLIC FINANCING AUTHORITY

and

CITY OF MONTEBELLO

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of _____ 1, 2022

Relating to

$_____
MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions 2
Section 1.02 Equal Security 13

ARTICLE II
THE BONDS

Section 2.01 Authorization of Bonds 13
Section 2.02 Terms of Series 2022B (Topgolf Project)(Federally Taxable) Bonds 13
Section 2.03 Form of Series 2022B Bonds 15
Section 2.04 Transfer and Exchange of Bonds 15
Section 2.05 Registration Books 15
Section 2.06 Execution of Bonds 15
Section 2.07 Authentication of Bonds 16
Section 2.08 Temporary Bonds 16
Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen 16
Section 2.10 Book-Entry Bonds 16

ARTICLE III
ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of Series 2022B Bonds 18
Section 3.02 Application of Proceeds of the Series 2022B Bonds 18
Section 3.03 Costs of Issuance Fund 18
Section 3.04 Project Fund 19
Section 3.05 Conditions for the Issuance of Additional Bonds 19
Section 3.06 Procedure for the Issuance of Additional Bonds 21
Section 3.07 Additional Bonds 21

ARTICLE IV
REDEMPTION OF BONDS

Section 4.01 Redemption of Series 2022B Bonds 22
Section 4.02 Notice of Redemption 23
Section 4.03 Selection of Bonds for Redemption 24
Section 4.04 Partial Redemption of Bonds 24
Section 4.05 Effect of Notice of Redemption 24

ARTICLE V
SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01 Pledge; Special Obligations 24
Section 5.02 Flow of Funds 25
Section 5.03 Application of Net Insurance Proceeds 26
Section 5.04 Title Insurance 27
Section 5.05 Reserve Fund 27
Section 5.06 Reserved 29
Section 5.07 Investment of Moneys 29

TABLE OF CONTENTS
(continued)

Page

ARTICLE VI
COVENANTS

Section 6.01 Compliance with Agreements 30
Section 6.02 Compliance with Site Lease, and Facility Lease and Sublease 30
Section 6.03 Observance of Laws and Regulations 30
Section 6.04 Other Liens 31
Section 6.05 Prosecution and Defense of Suits 31
Section 6.06 Accounting Records and Statements 31
Section 6.07 Recordation and Filing 31
Section 6.08 Reserved 31
Section 6.09 Continuing Disclosure 31
Section 6.10 Further Assurances 32

ARTICLE VII
DEFAULT AND LIMITATIONS OF LIABILITY

Section 7.01 Action on Default 32
Section 7.02 Other Remedies of the Trustee 32
Section 7.03 Non-Waiver 33
Section 7.04 Remedies Not Exclusive 33
Section 7.05 No Liability by the Authority to the Owners 33
Section 7.06 No Liability by the City to the Owners 33
Section 7.07 No Liability of the Trustee to the Owners 33
Section 7.08 Application of Amounts After Default 34
Section 7.09 Trustee May Enforce Claims Without Possession of Bonds 34
Section 7.10 Limitation on Suits 34

ARTICLE VIII
THE TRUSTEE

Section 8.01 Employment of the Trustee 35
Section 8.02 Duties, Removal and Resignation of the Trustee 35
Section 8.03 Compensation of the Trustee 36
Section 8.04 Protection of the Trustee 36

ARTICLE IX
MODIFICATION OR AMENDMENTS

Section 9.01 Modifications and Amendments Permitted 39
Section 9.02 Effect of Supplemental Indenture 40
Section 9.03 Endorsement of Bonds; Preparation of New Bonds 40
Section 9.04 Amendment of Particular Bonds 41
Section 9.05 Execution of Supplemental Indentures 41

ARTICLE X
DEFEASANCE

Section 10.01 Discharge of Indenture 41
Section 10.02 Bonds Deemed To Have Been Paid 42

TABLE OF CONTENTS
(continued)

Page

Section 10.03 Payment of Bonds After Discharge of Indenture 42

ARTICLE XI
MISCELLANEOUS

Section 11.01 Benefits of Indenture Limited to Parties 43
Section 11.02 Successor Deemed Included in all References to Predecessor 43
Section 11.03 Execution of Documents by Owners 43
Section 11.04 Waiver of Personal Liability 43
Section 11.05 Destruction of Bonds 44
Section 11.06 Funds and Accounts 44
Section 11.07 Article and Section Headings Gender and References 44
Section 11.08 Partial Invalidity 44
Section 11.09 Disqualified Bonds 44
Section 11.10 Money Held for Particular Bonds 45
Section 11.11 Payment on Non-Business Days 45
Section 11.12 California Law 45
Section 11.13 Notices 45
Section 11.14 Notice to Rating Agencies 46
Section 11.15 Execution in Counterparts 46

Signatures S-1

EXHIBIT A FORM OF SERIES 2022B BOND A-1
EXHIBIT B FORM OF PROJECT FUND REQUISITION B-1
EXHIBIT C DESCRIPTION OF PROJECT C-1

INDENTURE

THIS INDENTURE (this "Indenture"), executed and entered into as of _____ 1, 2022, is by and among the MONTEBELLO PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under the laws of the State of California (the "Authority"), the CITY OF MONTEBELLO, a city duly organized and existing under the laws of the State of California (the "City") and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, as Trustee (the "Trustee");

WITNESSETH:

WHEREAS, the City and the Authority desires to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project, as more particularly described in Exhibit C hereto;

WHEREAS, in order to finance the Project, the City will lease certain real property and the improvements located thereon to the Authority pursuant to a Site Lease, dated concurrently herewith, and the City will sublease the Site (as defined in the Facility Lease (defined below)) back from the Authority pursuant to a Facility Lease, dated concurrently herewith;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to finance the Project, through the issuance by the Authority of bonds payable from the Lease Payments (defined below) to be made by the City under the Facility Lease;

WHEREAS, all rights to receive the Lease Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated concurrently herewith;

WHEREAS, the Authority and the City desire to provide for the issuance by the Authority of the Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (the "Series 2022B Bonds"), in the aggregate principal amount of $_____, in order to finance the Project;

WHEREAS, the Series 2022B Bonds will be payable equally and ratably from the Lease Payments;

WHEREAS, during the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company ("Topgolf") under a lease agreement with the City in accordance with, *inter alia*, Section 37396 of the Government Code;

WHEREAS, to set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

WHEREAS, a portion of the rental payments to be made by Topgolf under the Sublease are intended to be sufficient in amount and time to satisfy the City's obligation to make Base Rental Payments under the Facility Lease;

WHEREAS, the Authority and the City desire to provide for the issuance of Additional Bonds (defined below) payable from the Lease Payments on a parity with the Series 2022B Bonds (the Series 2022B Bonds and any such Additional Bonds being collectively referred to herein as the "Bonds");

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority and the City have authorized the execution and delivery of this Indenture; and

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

NOW THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties do hereby agree as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Facility Lease.

"**Act**" means the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code.

"**Additional Bonds**" means Bonds other than the Series 2022B Bonds issued hereunder in accordance with the provisions of Sections 3.05 and 3.06 hereof.

"**Additional Payments**" means all amounts payable by the City as Additional Payments pursuant to Section 4.11 of the Facility Lease.

"**Assignment Agreement**" means the Assignment Agreement, dated concurrently herewith, by and between the Authority and the Trustee, as originally executed and as it may be from time to time in accordance with the provisions thereof

"**Authority**" means the Montebello Public Financing Authority, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California.

"**Authorized Authority Representative**" means the Chair, the Vice Chair, the Executive Director or the Treasurer of the Authority, or any other person authorized by the Authority Board to act on behalf of the Authority under or with respect to this Indenture.

"**Authorized City Representative**" means the Mayor, the Mayor Pro Tem, the City Manager, the Treasurer or the Director of Finance of the City, or any other person authorized by the City Council of the City to act on behalf of the City under or with respect to this Indenture.

"**Authorized Denominations**" means $5,000 or any integral multiple thereof.

"**Beneficial Owner**" means, whenever used with respect to a Book-Entry Bond, the person whose name is recorded as the beneficial owner of such Book-Entry Bond or a portion of such Book-Entry Bond by a Participant on the records of such Participant or such person's subrogee.

"**Bonds**" means the Series 2022B Bonds and any Additional Bonds issued hereunder.

"**Book-Entry Bonds**" means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.10 hereof.

"**Business Day**" means a day which is not (a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

"**Capitalized Interest Fund**" means the fund by that name established in accordance with Section 5.02 hereof.

"**Cede & Co.**" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

"**City**" means the City of Montebello, a general law city duly organized and existing under the laws of the State of California.

"**Closing Date**" means _____, 2022.

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

"**Continuing Disclosure Certificate**" means the Continuing Disclosure Certificate executed by the City in connection with the issuance of a Series of Bonds, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"**Costs of Issuance**" means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Facility Lease, the Site Lease, the Assignment Agreement, the Bonds, and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, market study fees, legal fees and expenses of counsel, fees and expenses of the

municipal advisor, the initial fees and expenses of the Trustee and its counsel and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, to the extent such fees and expenses are approved by the City.

"**Costs of Issuance Fund**" means the fund by that name established in accordance with Section 3.03 hereof.

"**Debt Service Fund**" means the fund by that name established in accordance with Section 5.02 hereof.

"**DTC**" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.10 hereof.

"**Facility Lease**" means the Facility Lease, dated concurrently herewith, by and between the City and the Authority, as originally executed and as it may be from time to time amended in accordance with the provisions thereof.

"**Federal Securities**" means (1) cash, (2) non-callable direct obligations of the United States of America, (3) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or (4) such securities as otherwise maybe authorized under State law.

"**Fitch**" means Fitch Ratings, Inc., New York, New York, or its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Improvement Rent**" means Rent payable by Topgolf to City under the Sublease and designated therein as Improvement Rent.

"**Indenture**" means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

"**Information Services**" means Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (EMMA) website; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

"**Interest Fund**" means the fund by that name established in accordance with Section 5.02 hereof.

"**Interest Payment Date**" means May 1 and November 1 of each year, commencing on [May 1, 2023].

"**Lease Payments**" means all amounts payable to the Authority by the City as Lease Payments pursuant to Section 4.4 of the Facility Lease.

"**Moody's**" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Office of the Trustee**" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City by the Trustee in writing, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

"**Opinion of Counsel**" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority or the City and which written opinion is satisfactory to the Trustee.

"**Outstanding**," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 hereof; and

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"**Owner**" means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

"**Participant**" means any entity which is recognized as a participant by DTC in DTC's book-entry system of maintaining records with respect to Book-Entry Bonds.

"**Participating Underwriter**" means the original underwriter or underwriters of a Series of Bonds required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, in connection with the offering of such Series of Bonds.

"**Permitted Investments**" means any of the following to the extent then permitted by the general laws of the State of California:

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

(d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively "United States Obligations"). These include, but are not necessarily limited to:

-U.S. Treasury obligations
All direct or fully guaranteed obligations
-Farmers Home Administration
Certificates of beneficial ownership
-General Services Administration
Participation certificates
-U.S. Maritime Administration
Guaranteed Title XI financing
-Small Business Administration
Guaranteed participation certificates
Guaranteed pool certificates
-Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
-U.S. Department of Housing & Urban Development
Local authority bonds
-Washington Metropolitan Area Transit Authority
Guaranteed transit bonds

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior debt obligations
-Farm Credit Banks (formerly: Federal Land Banks, Federal intermediate
Credit Banks and Banks for Cooperatives)
Consolidated systemwide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgages securities which are purchased at prices exceeding their principal amounts)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Debt obligations

(4) Bank deposit products, unsecured certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee), trust funds, trust accounts, overnight banking deposits, interest bearing deposits, interest bearing money market accounts, time deposits, demand deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or "A-2" without regard to qualifier by a nationally recognized rating agency service.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks, including the Trustee and its affiliates, which have capital and surplus of at least $5 million.

(6) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "A-1" or better by S&P or "Prime-1" by Moody's.

(7) Money market mutual funds rated "AAm" or "AAm-G" by a nationally recognized rating agency service, or better (including those for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) but excluding such funds with a floating net asset value.

(8) Investments in repurchase agreements which comply with the requirements of California Government Code Section 53601(j) pursuant to which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the Trustee by book entry, physical delivery, or by third party custodial agreement. The term "securities," for the purpose of repurchase agreements, means securities of the same issuer, description, issue date and maturity.

Repurchase agreements are required to be collateralized by securities or cash authorized under California Government Code Section 53601(j)(2) as described below:

(a) To anticipate market changes and provide a level of security for all repurchase agreement transactions, the market value of securities that underlie a repurchase agreement shall be valued at 102% or greater for U.S. securities listed in paragraph (1) above and 105% for U.S. Government Agency securities listed in paragraph (3) above, of the funds borrowed against those securities and the value shall be adjusted no less frequently than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% or 105%, as applicable, no later than the next business day.

(b) Collateral will be limited to U.S. Treasury securities listed in paragraph (1) above and U.S. Government Agency securities listed in paragraph (3) above. Collateral will be held by an independent third party with whom the Trustee has a current custodial agreement. A clearly marked evidence of ownership (safekeeping/custody receipt) must be supplied to the Trustee and retained. The Trustee retains the right to substitute or grant substitutions of collateral.

(9) State Obligations:

(a) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A2" by Moody's or "A" by S&P or Fitch, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated "A-1+" by S&P or "F1+" by Fitch or "Prime-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P or Fitch or "Aa" or better by Moody's.

(10) Local Agency Investment Fund of the State of California.

(11) Any investment agreement with a domestic or foreign bank or insurance company whose senior long-term debt obligations, deposit rating or claims-paying ability are rated, or guaranteed by an entity whose obligations are rated (at the time the investment is entered into) at least "A+" by S&P, "A1" by Moody's" or "A+" by Fitch; provided, that prior written notice of an investment in the investment agreement is provided to S&P, and provided, further by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in this Indenture other than acquisition of alternative investment property upon not more than seven days prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Indenture specifically requires the Trustee or the City to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) a guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Indenture;

(e) the Trustee and the City receive the opinion of domestic counsel (which opinion shall be addressed to the City) that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(f) The investment agreement shall provide that if during the term thereof, the provider's rating by any two of the following rating agencies, S&P, Moody's, or Fitch, is withdrawn or suspended of falls below "A-" by S&P, "A3" by Moody's, or "A-" by Fitch, the provider must at the direction of the City within ten (10) days of receipt of such downgrade, (i) deliver and grant, or cause to be delivered and granted, to a third party custodian a first priority security interest under the applicable Uniform Commercial Code, or other applicable law, in and to Permitted Collateral; or (ii) transfer the investment agreement and the rights and obligations of the provider thereunder to an entity reasonably satisfactory to the City and the Trustee whose long-term, senior unsecured debt obligations or claims-paying ability, or whose guarantor's long term, senior unsecured debt obligations or claims-paying ability are rated at not less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch or its equivalent from another Rating Agency; or (iii) repay the principal of and accrued by unpaid interest on the investment with no penalty or premium to the City and the Trustee;

(g) the investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Trustee is in possession); and

(h) the investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the City or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate.

(12) Pre-refunded municipal obligations rated "AAA" by S&P or Fitch or "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments.

"**Person**" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"**Principal Fund**" means the fund by that name established in accordance with Section 5.02 hereof.

"**Project**" means the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, and retail areas initially anticipated to be operated as a Topgolf entertainment facility in the City, and the acquisition, construction and/or installation of such other capital facilities that may be financed from proceeds of Additional Bonds as set forth in a Supplemental Indenture.

"**Project Fund**" means the fund of that name established pursuant to Section 3.04 hereof.

"**Qualified Reserve Fund Credit Instrument"** means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee with respect to other Bonds, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody's have assigned a long-term credit rating to such bank or insurance company at the time of issuance of such Qualified Reserve Fund Credit Instrument of "A" (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to the Bonds with respect to which it is deposited or with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Fund or the Principal Fund, Fund for the purpose of making payments required pursuant to Sections 5.02(b)(i) or 5.02(b)(ii) of this Indenture.

"**Rating Agency**" means Fitch, Moody's and S&P, or any one of such entities, as the context requires.

"**Rebate Fund**" means the fund by that name established in accordance with Section 5.06 hereof.

"**Rebate Requirement**" has the meaning ascribed thereto in the Tax Certificate.

"**Record Date**" means the fifteenth day of the month next preceding an Interest Payment Date, whether or not such day is a Business Day.

"**Redemption Fund**" means the fund by that name established in accordance with Section 5.02 hereof.

"**Redemption Price**" means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

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

"**Rental Payments**" means, collectively, the Lease Payments and the Additional Payments.

"**Rental Period**" means the period from the Closing Date through November 1, 2023 and, thereafter, the twelve-month period commencing on November 2 of each year during the term of the Facility Lease.

"**Representation Letter**" means the Letter of Representations from the Authority to DTC, or any successor securities depository for any Series of Book-Entry Bonds, in which the Authority makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

"**Reserve Fund**" means the fund by that name established and held by the Trustee pursuant to Section 5.05.

"**Reserve Fund Requirement**" means, with respect to the Series 2022B Bonds, an amount equal to the least of: (i) 100% of the Maximum Annual Debt Service for the 2022B Bonds; (ii) 125% of average Annual Debt Service on the 2022B Bonds as of the date of issuance of the 2022B Bonds, and (iii) ten percent (10%) of the issue price (as defined pursuant to section 148 of the Code) and with respect to any Additional Bonds, such amounts as shall be determined in accordance with the Supplemental Indenture providing for issuance of such Additional Bonds.

"**Revenues**" means, collectively, (a) the Lease Payments, (b) the Improvement Rent, (c) all moneys received by the Trustee from time to time for deposit to the Debt Service Fund and the Reserve Fund; and (d) investment income with respect to any moneys held by the Trustee in the Debt Service Fund and the Reserve Fund.

"**S&P**" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Securities Depositories**" means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

"**Series**" means all of the Series 2022B Bonds or the Additional Bonds issued and designated under a Supplemental Indenture as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such bonds as herein provided.

"**Series 2022B Bonds**" means the Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable) issued hereunder.

"**Site**" has the meaning ascribed thereto in the Facility Lease.

"**Site Lease**" means the Site Lease, dated concurrently herewith, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Facility Lease.

"**Sublease**" means that certain Sublease dated concurrently herewith, by and between the City, as sublessor, and Topgolf, as sublessee, as originally executed and as it may be from time to time amended in accordance with the provisions thereof.

"**Supplemental Indenture**" means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"**Tax Certificate**" means the Tax Certificate executed by the Authority and the City at the time of issuance of a Series of Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"**Term Bonds**" means the Bonds maturing on November 1, 20__ andNovember 1, 20__, and any term maturities of an issue of Additional Bonds as specified in a Supplemental Indenture.

"**Topgolf**" means Topgolf USA MB, LLC, a Delaware limited liability company, or any successor or assignee of Topgolf acquiring the subleasehold interest under the Sublease.

"**Trustee**" means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, or any successor thereto as Trustee hereunder, appointed as provided herein.

"**Written Certificate of the Authority**" and "**Written Request of the Authority**" mean, respectively, a written certificate or written request signed in the name of the Authority by an Authorized Authority Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"**Written Certificate of the City**" and "**Written Request of the City**" mean, respectively, a written certificate or written request signed in the name of the City by an Authorized City Representative. Any such certificate or request may, but need, not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority or the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01 Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture and applicable laws of the State of California for the purpose of financing and/or refinancing the Project. The Bonds may consist of one or more Series of Bonds of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein.

Section 2.02 Terms of Series 2022B Bonds.

(a) The Series 2022B Bonds shall be designated the "Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)." Each Series of Additional Bonds shall bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series, of Bonds.

(b) The Series 2022B Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series 2022B Bond shall have more than one maturity date. The Series 2022B Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of $_____, shall mature on November 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date (November 1)	*Principal Amount*	*Interest Rate*

[T] Term Bond

(c) Interest on the Series 2022B Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2022B Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2022B Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof, or (iii) interest on any Series 2022B Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2022B Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Except as otherwise provided in Section 2.10(a), interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Series 2022B Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date or by wire transfer to Owners of more than $1,000,000 in principal amount of Series 2022B Bonds who have provided account information and wiring instructions satisfactory to the Trustee.

(d) The principal and premium, if any, of the Series 2022B Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Series 2022B Bonds shall be subject to redemption as provided in Article IV.

Section 2.03 Form of Series 2022B Bonds. The Series 2022B Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.04 Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Prior to any transfer of Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

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

Section 2.06 Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of an Authorized Officer of the Authority attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested any of the Bonds shall cease to be such officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Section 2.07 Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.08 Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds of a Series it will execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series, may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or in accordance with the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.10 Book-Entry Bonds.

(a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds and, in such event, the Bonds of such Series for each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). The Series 2022B Bonds shall initially be issued as Book-Entry Bonds.

Except as provided in subsection (c) of this Section, the registered Owner of all of the Book-Entry Bonds shall be Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive Owner of Book-Entry Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to Book-Entry Bonds, selecting Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to Book-Entry Bonds, any notice which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of Book-Entry Bonds, or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for a Series of Bonds, determines not to continue to act as securities depository for such Series of Bonds, or (ii) the Authority determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the Authority will discontinue the book-entry system with the incumbent securities depository for such Series of Bonds. If the Authority determines to replace the incumbent securities depository for such Series of Bonds with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate fully registered Bond of such Series for the aggregate outstanding principal amount of Bonds of such Series of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Authority, the Trustee and the successor securities depository for the Bonds of such Series as are not inconsistent with the terms of this Indenture. If the Authority fails to identify another qualified successor securities depository for such Series of Bonds to replace the incumbent securities depository, then the Bonds of such Series shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be

registered in whatever name or names the incumbent securities depository for such Series of Bonds, or its nominee, shall designate. In such event the Authority shall execute, and deliver to the Trustee, a sufficient quantity of Bonds of such Series to carry out the transfers and exchanges provided in Sections 2.04, 2.08 and 2.09 hereof. All such Bonds of such Series shall be in fully registered form in Authorized Denominations.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Authority, the City or the Trustee with respect to any consent or other action to be taken by Owners, the Authority, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of Series 2022B Bonds. The Authority may, at any time, execute the Series 2022B Bonds for issuance hereunder and deliver the same to the Trustee. The Trustee shall authenticate the Series 2022B Bonds and deliver the Series 2022B Bonds to the original purchaser thereof upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

Section 3.02 Application of Proceeds of the Series 2022B Bonds. On the Closing Date, the net proceeds of the sale of the Series 2022B Bonds received by the Trustee of $_____ (being the principal amount of $_____, [plus][less] [net] original issue [premium][discount] of $_____, and less an underwriter's discount of $_____), shall be deposited by the Trustee as follows:

(a) The Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund,

(b) The Trustee shall deposit the amount of $_____ in the Capitalized Interest Fund, and

(c) The Trustee shall deposit the amount of $_____ to the Project Fund.

Section 3.03 Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02 hereof. There shall be additionally be deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Authority stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date that is six months after the Closing Date, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Debt Service Fund or the Project Fund, as directed by the City.

Section 3.04 Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Project Fund." The moneys in the Project Fund or the accounts therein shall be disbursed by the Trustee on behalf of the City as specified in a Written Request of the City in the form attached hereto as Exhibit B. Each Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date on which the City determines that amounts in the Project Fund are no longer necessary for payment of the cost of the Project, the City shall submit a Written Request to the Trustee to transfer any remaining balance in the Project Fund not needed for Project Fund purposes, at the City's sole discretion, either (a) to the Debt Service Fund for application in accordance with Section 5.02 hereof, or (b) to the City for use on eligible capital facilities, and the Project Fund shall be closed.

Investment earnings on amounts on deposit in the Project Fund shall remain on deposit in the Project Fund for application in accordance with this Section.

Section 3.05 Conditions for the Issuance of Additional Bonds. The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2022B Bonds) payable from Lease Payments as provided herein on a parity with all other Bonds theretofore issued hereunder, and subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(1) The application of the proceeds of the sale of such Additional Bonds;

(2) The principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds;

(3) The date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on November 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on November 1, (ii) the Additional Bonds shall be payable as to interest semiannually on May 1 and November 1 of each year, (iii) all Additional Bonds of a Series of like maturity shall

be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(4) The redemption premiums and terms, if any, for such Additional Bonds;

(5) The form of such Additional Bonds;

(6) A provision stating the Reserve Fund Requirement for the Series of Additional Bonds, if any, and providing that from such proceeds or other sources an amount shall be deposited in an account of the Reserve Fund so that following such deposit there shall be on deposit in such account of the Reserve Fund an amount at least equal to the Reserve Fund Requirement for such series of Additional Bonds; and

(7) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(b) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Facility Lease and in the Site Lease required to be observed or performed by it;

(c) The City shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Facility Lease and in the Site Lease required to be observed or performed by it;

(d) The Site Lease and the Facility Lease shall have been amended, to the extent necessary, (i) so as to increase the Lease Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the payment of the principal of and interest on such Additional Bonds; provided, however, that no such amendment shall be made such that the sum of Lease Payments, including any increase in the Lease Payments as a result of such amendment, plus Additional Lease Payments, in any Rental Period shall be in excess of the annual fair rental value of the Site after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City); and (ii) to include provisions for the prepayment of Lease Payments attributable to such Additional Bonds; and

(e) Topgolf shall have consented in writing to the issuance of such Additional Bonds.

Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Section 3.05, no such issuance may occur if (1) an event of default (within the meaning of Article VI of the Facility Lease)(or any event which, once all notice or grace periods have passed, would constitute such event of default) exists unless such event of default shall be cured upon such execution or issuance or (2) the Reserve Fund and all accounts therein are not fully funded at the Reserve Fund Requirement for the Series 2022B Bonds and each series of Additional Bonds that will be Outstanding upon the issuance of the proposed Additional Bonds.

Nothing contained herein shall limit the issuance of any bonds or other obligations payable from Lease Payments if, after the issuance and delivery of such bonds or other obligations, none of the Bonds theretofore issued hereunder will be Outstanding.

Section 3.06 Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Authority for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) Certified copies of the Supplemental Indenture authorizing the issuance of such Additional Bonds, the amendment to the Facility Lease required by Section 3.05 hereof and the amendment to the Site Lease, if any, required by Section 3.05 hereof, together with satisfactory evidence that provision has been made for such amendment to the Facility Lease and such amendment to the Site Lease, if any, to be recorded in the official records of the appropriate county;

(b) A Written Request of the Authority as to the delivery of such Additional Bonds;

(c) An opinion of Bond Counsel substantially to the effect that (i) the Indenture (including all Supplemental Indentures), the Facility Lease (including the amendment thereto required by Section 3.05 hereof) and the Site Lease (including any amendment thereto required by Section 3.05 hereof) have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Authority and the City, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), and (ii) such Additional Bonds constitute valid and binding special obligations of the Authority payable solely from Revenues as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California);

(d) a Written Certificate of the City that the requirements of Section 3.05 hereof and Sections 5.01 and 5.02 of the Facility Lease have been met, and a Written Certificate of the City as to the annual fair rental value of the Site, after giving effect to the issuance of the Additional Bonds, and to the use of proceeds received therefrom; and

(e) Such further documents as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Section 3.07 Additional Bonds. So long as any of the Bonds remain Outstanding, the Authority shall not issue any Additional Bonds or obligations payable from the Lease Payments, except pursuant to Sections 3.05 and 3.06 hereof.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Redemption of Series 2022B Bonds.

(a) Extraordinary Redemption. The Series 2022B Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of: (i) Net Insurance Proceeds received with respect to all or a portion of the Site, deposited by the Trustee in the Redemption Fund pursuant to Sections 5.03 and 5.04 hereof, and (ii) eminent domain proceeds received pursuant to Section 7.01 of the Facility Lease, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(b) Optional Redemption. The Series 2022B Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after November 1, 20__, in Authorized Denominations, from and to the extent of prepaid Lease Payments paid pursuant to subsection (a) of Section 7.02 of the Facility Lease, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) Mandatory Sinking Fund Redemption. The Series 2022B Bonds with stated maturities on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	***Principal Amount***

* Final Maturity.

The Series 2022B Bonds with stated maturities on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	*Principal Amount*

* Final Maturity.

In the event of a partial optional redemption or extraordinary mandatory redemption of any of the Term Bonds, each of the remaining mandatory sinking fund payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis in the amount of $5,000 or any integral multiple thereof as directed by an Authorized City Representative, which direction shall include a revised schedule of the remaining mandatory sinking fund payments.

Section 4.02 Notice of Redemption. Unless otherwise provided in a Supplemental Indenture, notice of redemption shall be given by the Trustee, not less than 20 nor more than 60 days prior to the redemption date (i) as to Bonds not registered in the name of a Securities Depository or its nominee, to the respective Owners of the Bonds designated for redemption at their addresses appearing on the Registration Books, (ii) as to Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Bonds, and (iii) the Information Services. Notice of redemption to the Owners pursuant to (i) above shall be given by mail at their addresses appearing on the Registration Books, or any other method agreed upon by such Owner and the Trustee. Notice of redemption to the Securities Depositories pursuant to (ii) above and the Information Services pursuant to (iii) above shall be given by electronically secure means, or any other method agreed upon by such entities and the Trustee. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Such notice of redemption may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. Neither the failure to receive any notice so given, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of optional redemption of the Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed and upon other conditions set forth therein and that, if such money shall not have been so received or such other conditions shall not have been satisfied, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the Authority shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional

redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Section 4.03 Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed by lot from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Authority provided to the Trustee at least 20 but no more than 60 days prior to the date of such redemption, (b) with respect to any redemption pursuant to Section 4.01(a) hereof and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, as directed in a Written Request of the Authority provided to the Trustee at least 20 but no more than 60 days prior to the date of such redemption, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.05 Effect of Notice of Redemption. Notice having been given as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been given as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01 Pledge; Special Obligations. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the

Debt Service Fund, the Interest Fund, the Capitalized Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

All obligations of the Authority under this Indenture shall be special obligations of the Authority, payable solely from Revenues and the other assets pledged therefor hereunder; provided, however, that all obligations of the Authority under the Bonds shall be special obligations of the Authority, payable solely from Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Authority has no taxing power.

Section 5.02 Flow of Funds.

(a) The Trustee shall establish and maintain separate funds designated the "Debt Service Fund," the "Interest Fund," the "Capitalized Interest Fund," the "Principal Fund," the "Redemption Fund" and the "Reserve Fund."

All Revenues shall be paid directly by the City to the Trustee (except for Improvement Rent paid by Topgolf directly to the Trustee pursuant to the Sublease, and if received by the Authority at any time shall be transferred by the Authority with the Trustee within one Business Day after the receipt thereof. All Revenues received by the Trustee shall be deposited by the Trustee in the Debt Service Fund.

(b) The Trustee shall transfer the amounts on deposit in the Debt Service Fund, at the times and in the manner hereinafter provided, to the following respective funds:

(i) Interest Fund. On the Business Day immediately preceding each Interest Payment Date, the Trustee shall transfer from the Debt Service Fund to the Interest Fund the amount, if any, necessary to cause the amount on deposit in the Interest Fund to be equal to the interest due on the Bonds on such Interest Payment Date.

(ii) Principal Fund. On the Business Day immediately preceding each November 1, commencing November 1, 20__, the Trustee shall transfer from the Debt Service Fund to the Principal Fund the amount, if any, necessary to cause the amount on deposit in the Principal Fund to be equal to the principal amount of the Bonds due on such November 1, either as a result of the maturity thereof or mandatory sinking fund redemption payments required to be made with respect thereto. Moneys in the Principal Fund shall be used by the Trustee for the purpose of paying the principal of the Bonds when due and payable at their maturity dates or upon earlier mandatory sinking fund redemption.

(iii) Redemption Fund. The Trustee, on the redemption date specified in the Written Request of the City filed with the Trustee at the time that any prepaid Lease Payment is paid to the Trustee pursuant to the Facility Lease, shall deposit in the Redemption Fund that amount of moneys representing the portion of the Lease Payments designated as prepaid Lease Payments. Additionally, the Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Sections 5.03 and 5.04 hereof and Section 7.01 of the Facility Lease. Moneys in the Redemption Fund shall be used by the Trustee for the purpose of paying the principal of and interest and premium, if any, on Series 2022B Bonds redeemed pursuant to the provisions of

subsections (a) and (b) of Section 4.01 hereof and Additional Bonds redeemed pursuant to the corresponding provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(iv) Reserve Fund. All amounts on deposit in the Debt Service Fund on June 2, to the extent not required to pay the principal of any Outstanding Bonds then having come due and payable, shall be transferred to the Reserve Fund, to the extent necessary to satisfy the Reserve Fund Requirement, to the extent such amounts are due and payable.

(v) Capitalized Interest Fund. On the second Business Day immediately preceding each Interest Payment Date, the Trustee shall transfer from the Capitalized Interest Fund to the Interest Fund, the following amounts on the dates set forth below. All amounts remaining in the Capitalized Interest Fund following _____ 1, 20__ shall be transferred to the Interest Fund.

Date ***Amount***

Section 5.03 Application of Net Insurance Proceeds. If the Site or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Site or the affected portion thereof in accordance with the provisions hereof.

The Net Insurance Proceeds (other than Net Insurance Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Site or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special fund entitled the "Insurance and Condemnation Fund" and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Site or the affected portion thereof upon receipt of a Written Request of the City, together with invoices therefor. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Pending such application, such proceeds may be invested by the Trustee as directed by the City in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Site or the portions of the Site which were damaged or destroyed. If the City does intend to replace or repair the Site or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account.

If the damage, destruction or loss was such that there resulted in a substantial interference with the City's right to the use or occupancy of the Site and an abatement of Rental Payments results from such damage or destruction pursuant to Section 3.06 of the Facility Lease, then the City shall be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Site or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, as set forth in subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, in full of all the Outstanding Bonds or all of those Outstanding Bonds which would have been payable from that portion of the Lease Payments which are abated as a result of the damage or destruction. Funds to be applied to the redemption of Bonds in accordance with clause (b) above shall be deposited in the Redemption Fund. If the City is not required to replace or repair the Site, or the affected portion thereof, as set forth in clause (a) above or to use such amounts to redeem Bonds as set forth in clause (b) above, then such proceeds shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Site after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Lease Payments becoming due under the Facility Lease in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Site after such damage or destruction is at least equal to the principal amount of the Outstanding Bonds, be paid to the City to be used for any lawful purpose.

The proceeds of any award in eminent domain received in respect to the Site shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

Section 5.04 Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Site shall be applied and disbursed by the Trustee as follows:

(a) if the City determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Site and will not result in an abatement of Rental Payments payable by the City under the Facility Lease, upon Written Request of the City, such proceeds shall be remitted to the City and used for any lawful purpose thereof; or

(b) if the City determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Site and will result in an abatement of Rental Payments payable by the City under the Facility Lease, then, upon Written Request of the City, the Trustee shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

Section 5.05 Reserve Fund.

(a) The Authority hereby agrees to establish a separate fund titled the "Reserve Fund" and within the Reserve Fund, the "Series 2022B Bonds Account," which shall be held and maintained by the Trustee. The Trustee shall deposit into the Reserve Fund or accounts therein, any amounts transferred from the Revenue Fund pursuant to Section 5.02(b)(iv) above. The Trustee may

establish additional accounts in the Reserve Fund in connection with the issuance of Additional Bonds, if any. All moneys in the Reserve Fund and accounts therein shall be used and withdrawn by the Trustee solely for the purpose of funding the Interest Fund or the Principal Fund, in that order, in the event of any deficiency in either of such accounts on an Interest Payment Date.

Moneys, if any, on deposit in the Reserve Fund (or the applicable account therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the Series 2022B Bonds or any Additional Bonds secured by the applicable account therein, respectively. The Trustee shall compute the Reserve Requirement annually on or before November 1.

In no event shall amounts in the Series 2022B Bonds Account of the Reserve Fund be applied to payment of any Additional Bonds other than Series 2022B Bonds.

Except as provided above, the amount on deposit in each account of the Reserve Fund shall be maintained at the Reserve Fund Requirement for each applicable series of Bonds at all times prior to the payment of the applicable series of Bonds in full. If there shall then not be sufficient Revenues to transfer an amount sufficient to maintain the Reserve Fund Requirement on deposit in the Reserve Fund, the Authority shall be obligated to continue making transfers to the Trustee as Revenues become available until there is an amount sufficient to maintain the Reserve Fund Requirement on deposit in the Reserve Fund. No such transfer and deposit need be made to the Reserve Fund so long as there shall be on deposit therein a sum at least equal to the Reserve Fund Requirement. All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Fund and the Principal Fund, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the City and Authority are not in default hereunder, any amount in the Reserve Fund or subaccount thereof in excess of the applicable Reserve Fund Requirement shall be withdrawn from the applicable Reserve Fund semiannually on or before two (2) Business Days preceding each May 1 and November 1 by the Trustee and deposited in the Interest Fund. On the Business Day preceding the final Interest Payment Date for a series of Bonds (or multiple series of Bonds issued under a Supplemental Indenture), all amounts held in the applicable account of the Reserve Fund shall be withdrawn from the Reserve Fund, or such applicable account of the Reserve Fund and shall be transferred to the Interest Fund and the Principal Fund, in such order, to the extent required to make the deposits then required to be made pursuant to Sections 5.02(b)(i) and 5.02(b)(ii).

The City shall have the right at any time to direct the Trustee to release funds from the an account of the Reserve Fund, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Fund Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Fund Credit Instrument will cause interest on the Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the City to the Trustee of written calculation of the amount permitted to be released from the applicable account of the Reserve Fund (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from applicable account of the Reserve Fund to the City to be applied in accordance with applicable law. The Trustee shall comply with the terms of any such Qualified Reserve Fund Credit Instrument delivered to and accepted by it, as may be applicable to it and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this section. Upon the expiration of any Qualified Reserve Fund Credit Instrument,

the City shall either (i) replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the applicable Reserve Fund Requirement, to be derived from the first legally available Revenues. If the applicable Reserve Fund Requirement is being maintained partially in cash and partially with a Qualified Reserve Fund Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Fund or the Principal Fund for the purpose of making payments required pursuant to Sections 5.02(b)(i) or 5.02(b)(ii) of this Indenture. If the Reserve Fund Requirement is being maintained with two or more Qualified Reserve Fund Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Fund or the Principal Fund for the purpose of making payments required pursuant to Sections 5.02(b)(i) or 5.02(b)(ii) of this Indenture shall be pro-rata with respect to each such instrument.

The Reserve Fund shall be maintained in the form of one or more separate accounts which are established for the purpose of holding the proceeds of separate issues of any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the City in writing to the Trustee. Separate series of Additional Bonds may be secured by common accounts of the Reserve Fund as provided in one or more Supplemental Indentures from time to time.

Section 5.06 Reserved.

Section 5.07 Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Authority filed with the Trustee at least two Business Days in advance of the making of such investments. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date. Absent timely written direction from the Authority, the Trustee shall hold any funds held by it uninvested. The Trustee may conclusively rely upon the Authority's written instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments.

Subject to the provisions of Section 5.06 hereof, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be retained therein.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued by the Trustee at the cost thereof.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Authority, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder.

The Trustee may make any investments hereunder through the bond or investment department or trust investment department of the entity acting as Trustee hereunder, or those of such entity's parent or any affiliate, and such entity, or its parent or affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services.

The entity acting as Trustee hereunder, or any of its affiliates, may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder and such entity, or its affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services.

The Authority and the City acknowledge that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority and the City the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Authority and the City specifically waive receipt of such confirmations to the extent permitted by law.

ARTICLE VI

COVENANTS

Section 6.01 Compliance with Agreements. The Trustee will not authenticate or deliver any Bonds in any manner other than in accordance with the provisions hereof, and the Authority and the City will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

Section 6.02 Compliance with Site Lease, and Facility Lease and Sublease. The Authority and the City will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Site Lease and the Facility Lease required to be complied with, kept, observed and performed by them and, together with the Trustee, will enforce the Site Lease and the Facility Lease against the other party thereto in accordance with their respective terms. The City will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Sublease required to be complied with, kept, observed and performed by the City and will enforce all material provisions of the Sublease against Topgolf in accordance with the terms of the Sublease. So long as Topgolf is in compliance with its obligations to pay Improvement Rent under the Sublease, the City will not terminate the Sublease prior to the end of the Initial Fixed term (as such term is defined in the Sublease). So long as the Bonds are Outstanding, the City shall not agree to any amendment of the Sublease that would have a material adverse effect on the Revenues available to pay the Bonds.

Section 6.03 Observance of Laws and Regulations. The Authority, the City and the Trustee will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.04 Other Liens. The City will keep the Site and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the City in conducting its business or utilizing the Site, and the Trustee at its option (after first giving the City ten days' written notice to comply therewith and failure of the City to so comply within such ten-day period) may, but is in no event obligated to, defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the City from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder and to perform such agreements and covenants.

So long as any Bonds are Outstanding, none of the Trustee, the Authority or the City shall create or suffer to be created any pledge of or lien the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The City's enforcement of the provisions of the Sublease regarding liens, encumbrances, and judgments against Topgolf shall satisfy the City's and Authority's obligations under the foregoing provisions of this Section.

The Authority, the City and the Trustee shall not encumber the Site other than in accordance with the Site Lease, the Facility Lease, the Sublease, the Indenture and the Assignment Agreement.

Section 6.05 Prosecution and Defense of Suits. The City will promptly, upon request of the Trustee (which request the Trustee is not required to make), take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Site or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee harmless from all cost, damage, expense or loss, including attorneys' fees and expenses, which it or the Owners may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 6.06 Accounting Records and Statements. The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Lease Payments, and such accounting records shall be available for inspection by the Authority and the City at reasonable hours and under reasonable conditions.

Section 6.07 Recordation and Filing. The City will record, or cause to be recorded, with the appropriate county recorder, the Facility Lease, the Site Lease, the Sublease and the Assignment Agreement, or memoranda thereof.

Section 6.08 Reserved.

Section 6.09 Continuing Disclosure. The City will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an event of default hereunder; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate principal

amount of Outstanding Bonds, and upon being indemnified to its reasonable satisfaction therefor, shall) or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.10 Further Assurances. Whenever and so often as requested to do so by the Trustee, the Authority and the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon it hereby or by the Assignment Agreement, the Site Lease or the Facility Lease.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

Section 7.01 Action on Default. If an event of default (within the meaning of Article VI of the Facility Lease) shall happen, then such event of default shall constitute an event of default hereunder. The Trustee shall give notice, as assignee of the Authority, of an event of default under the Facility Lease to the City. In each and every case during the continuance of an event of default, the Trustee may and, at the direction of the Owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, shall, upon notice in writing to the City and the Authority, exercise any of the remedies granted to the Authority under the Facility Lease and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.02 hereof.

Section 7.02 Other Remedies of the Trustee. Subject to the provisions of Section 7.01 hereof, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the City or any member, director, officer or employee thereof, and to compel the Authority or the City or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any event of default hereunder to require the Authority and the City to account as the trustee of an express trust.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment or composition

affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Notwithstanding any provision of this Indenture to the contrary, no event of default hereunder or under the Lease by the Authority or the City shall result in the acceleration of debt service on the Bonds hereunder.

Section 7.03 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often the Trustee shall deem expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then subject to any adverse determination, the Trustee, such Owner, the Authority and the City shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.04 Remedies Not Exclusive. Subject to the provisions of Section 7.01 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.05 No Liability by the Authority to the Owners. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Owners with respect to the payment when due of the Lease Payments by the City, or with respect to the performance by the City of the other agreements and covenants required to be performed by it contained in the Facility 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.

Section 7.06 No Liability by the City to the Owners. Except for the payment when due of the Lease Payments and the performance of the other agreements and covenants required to be performed by it contained in the Facility Lease, the Site Lease or herein, the City shall not have any obligation or liability to the Owners with respect to the Trust Indenture or the preparation, execution, delivery or transfer of the Bonds or the disbursement of the Lease Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 7.07 No Liability of the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Lease Payments by the City, or with respect to the performance by the Authority or the City of the other agreements and covenants required to be performed by them contained in the Facility Lease, the Site Lease, the Sublease or herein.

Section 7.08 Application of Amounts After Default. All payments received by the Trustee with respect to the rental of the Site after a default by the City pursuant to Article VI of the Facility Lease (including, without limitation, any proceeds received in connection with the sale, assignment or sublease of the Authority's right, title and interest in the Site Lease), and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Article VI of the Facility Lease, shall be deposited into the Debt Service Fund and as soon as practicable thereafter applied, together with all other funds held hereunder (except funds in the Rebate Fund):

(a) to the payment of all amounts due the Trustee under Article VIII hereof;

(b) to the payment of all amounts then due for interest on the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable-prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of interest on such Bonds due and payable; and

(c) to the payment of all amounts then due for principal of the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of principal of such Bonds due and payable.

Section 7.09 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners in respect of which such judgment has been recovered.

Section 7.10 Limitation on Suits. No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or Trustee, or for any other remedy hereunder, unless (a) such Owner shall have previously given written notice to the Trustee of a continuing event of default, (b) the Owners of not less than 25% of the aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee hereunder, (c) such Owner or Owners shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority of the aggregate principal amount of Bonds then Outstanding; it being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Owner, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Owners.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Employment of the Trustee. The Authority hereby appoints and employs the Trustee to receive, deposit and disburse the Lease Payments, to authenticate, deliver and transfer the Bonds and to perform the other functions contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering this Indenture, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, subject to the conditions and terms hereof. Other than when an event of default has occurred and is continuing, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an event of default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 8.02 Duties, Removal and Resignation of the Trustee. The Authority may, by an instrument in writing, remove the Trustee initially a party hereto and any successor thereto unless an event of default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate principal amount of Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets. If such national banking association or state-chartered commercial bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such national banking association or state-chartered commercial bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign and be discharged from its duties and obligations hereunder at any time by giving written notice of such resignation to the Authority and the City and by giving notice, by first class mail, postage prepaid, of such resignation to the Owners at their addresses appearing on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Authority does not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the Authority, petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Notwithstanding the foregoing, no removal, resignation or termination of the Trustee shall take effect until a successor, meeting the requirements above or acceptable to the Insurer, shall be qualified and appointed.

Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such entity meets the combined capital and surplus requirements of this Section, ipso facto, shall be and become successor trustee under this Indenture and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.03 Compensation of the Trustee. The City shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its reasonable advances and expenditures (which shall not include "overhead expenses" except as such expenses are included as a component of the Trustee's stated annual fees) hereunder, including but not limited to advances to and reasonable fees and reasonable expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder. The Trustee may take whatever legal actions are lawfully available to it directly against the Authority or the City.

The City shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder, under the Facility Lease, or in connection with any document or transaction contemplated hereunder or thereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its misconduct. The duty of the City to compensate and indemnify the Trustee shall survive the termination and discharge of this Indenture and the earlier removal or resignation of the Trustee.

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

Upon an event of default, and only upon an event of default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it. 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 8.04 Protection 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, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, 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, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall be under no obligation to exercise any of the rights or powers

vested in it by this Indenture at the request or direction of any of the Owners of the Bonds pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the reasonable costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The Trustee may consult with counsel, who may be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the Bonds or the Facility Lease, or of the assignment made to it by the Assignment Agreement, or for statements made in any preliminary or final official statement relating to the Bonds, or of the title to the Site.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the City or a Written Certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof 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 it deems reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto, The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the City, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Authority or the City as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder by or through agents, attorneys or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such agent, attorney or receiver selected by it with reasonable care; provided, however, that in the event of any negligence or misconduct of any such attorney, agent or receiver, the Trustee shall in a commercially reasonable manner pursue all remedies of the Trustee against such agent, attorney or receiver. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct, negligence or breach of an obligation hereunder.

The Trustee shall not be deemed to have knowledge of an event of default unless it has actual knowledge thereof.

The Trustee may, on behalf of the Owners, intervene in any judicial proceeding to which the Authority or the City is a party and which, in the opinion of the Trustee and its counsel, affects the Bonds or the security therefor, and shall do so if requested in writing by the Owners of at least 5% of

the aggregate principal amount of Bonds then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds.

All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. The Trustee shall not be accountable for the use or application by the City or the Authority of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

In acting or omitting to act pursuant to the Facility Lease or Site Lease, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture and the Facility Lease, including, but not limited to, this Article VIII.

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

informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

ARTICLE IX

MODIFICATION OR AMENDMENTS

Section 9.01 Modifications and Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority, the City, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, the City, the Trustee, and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

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

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture;

(iii) to grant or confer upon the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners of the Bonds; and

(iv) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Indenture other conditions, limitations and restrictions thereafter to be observed.

(v) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Article III hereof;

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

(vii) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(viii) in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder.

(c) Promptly after the execution by the Authority, the City and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(d) No Supplemental Indenture shall modify any of the rights or obligations of the Trustee without its prior written consent.

Section 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The City shall notify the rating agencies in accordance with Section 11.13 hereof upon the execution of any Supplemental Indenture.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case,

upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

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

Section 9.05 Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be provided, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Indenture. If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Lease Payments and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority and the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority and the City shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by them on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of the Authority and the City hereunder shall cease, terminate become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the

Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the compensation and indemnity of the Trustee shall remain in effect and shall be binding upon the Trustee, the City and the Authority.

Section 10.02 Bonds Deemed To Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest thereon at the maturity or redemption date thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01 hereof. Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 hereof if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to give, on a date in accordance with the provisions of Section 4.02 hereof, notice of redemption of such Bonds on said redemption date, said notice to be given in accordance with Section 4.02 hereof, (b) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant in a report (the "Verification Report") filed with the Authority, the City and the Trustee, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bonds, (c) the Authority shall have delivered or cause to be delivered an (i) escrow agreement; and (ii) an opinion of Bond Counsel addressed to the Authority, the City, the Trustee regarding the validity and enforceability of the escrow agreement and to the effect that such Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the independent certified public accountant report referred to above) and (d) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Bonds, are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bonds.

The Series 2022B Bonds shall be deemed Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

Section 10.03 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Authority (without liability for interest) free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such

moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 11.02 Successor Deemed Included in all References to Predecessor. Whenever the Authority, the City or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the City or the Trustee, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Authority, the City or the Trustee, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Bonds and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Authority, the City or the Trustee in good faith and in accordance therewith.

Section 11.04 Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bonds, but nothing contained herein shall relieve any member, officer or employee of the City or the Authority from the performance of any official duty provided by any applicable provisions of law, by the Facility Lease or hereby.

Section 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds.

Section 11.06 Funds and Accounts. Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

Section 11.07 Article and Section Headings Gender and References. The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other gender. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections," subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection or clause thereof.

Section 11.08 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Authority, the City or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Authority, the City and the Trustee hereby declare that they would have executed this Indenture, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that, in determining whether the Trustee shall be protected in relying upon any such demand, request,

direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Authority and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 hereof but without any liability for interest thereon.

Section 11.11 Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.12 California Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

Section 11.13 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:	City of Montebello 1600 W. Beverly Boulevard Montebello, California 90640 Attention: City Manager
If to the Authority:	Montebello Public Financing Authority c/o City of Montebello 1600 W. Beverly Boulevard Montebello, California 90640 Attention: Executive Director
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Attention: Corporate Trust Department

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is

addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answer back or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 11.14 [Notice to Rating Agencies. The Trustee shall provide S&P, if the Bonds are then rated by S&P, and Moody's, if the Bonds are then rated by Moody's, with prompt notice of any substitution or release of property of which a responsible officer of the Trustee receives actual notice pursuant to the Facility Lease.]

Section 11.15 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City have caused this Indenture to be signed in their respective names by their representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

MONTEBELLO PUBLIC
FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

_____
Secretary

CITY OF MONTEBELLO

By: _____
City Manager

ATTEST:

_____
City Clerk

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

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2022B BOND

No. ____ $_____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	November 1, 20__	_____, 2022	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The Montebello Public Financing Authority (the "Authority"), for value received, hereby promises to pay, solely from the Lease Payments (as hereinafter defined) and amounts in certain funds and accounts held under the Indenture (as hereinafter defined), to the Registered Owner identified above or registered assigns (the "Registered Owner"); on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on May 1 and November 1 in each year, commencing May 1, 2023 (the "Interest Payment Dates"), until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to April 15, 2023, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, interest on this Bond shall be payable from the date to which interest hereon has been paid in full, payable on each Interest Payment Date). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by wire or check of The Bank of New York Mellon Trust Company, N.A., a national banking

association duly organized and existing under and by virtue of the laws of the United States, as Trustee (the "Trustee"), mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner shown on the Registration Books at the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date; or by wire transfer to Owners of more than $1,000,000 in principal amount of Series 2022B Bonds (as defined below) who have provided account information and wiring instructions satisfactory to the Trustee. "Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City of Montebello (the "City") by the Trustee in writing, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

This Bond is one of a series of a duly authorized issue of bonds issued for the purpose of financing the acquisition, construction and/or installation of the Project (as defined in the Indenture), and is one of the series of bonds designated "Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)" (the "Series 2022B Bonds") in the aggregate principal amount of $_____. The Series 2022B Bonds are issued pursuant to the Indenture, dated as of _____ 1, 2022 (the "Indenture"), by and among the Authority, the City and the Trustee. This reference incorporates the Indenture herein and by acceptance hereof the owner of this Bond assents to said terms and conditions of the Indenture. Pursuant to and as more particularly provided in the Indenture, additional bonds ("Additional Bonds"), may be issued by the Authority secured by a lien on the Lease Payments and certain funds and accounts described below on a parity with the lien securing the Series 2022B Bonds. The Series 2022B Bonds and any Additional Bonds are collectively referred to as the "Bonds." The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985 (the "Act") and the laws of the State of California.

Pursuant to the Indenture, the principal of and interest on the Bonds are payable solely from certain lease payments (the "Lease Payments") under and pursuant to that certain Facility Lease, dated as of _____ 1, 2022 (the "Facility Lease"), by and between the City, as lessee, and the Authority, as lessor, all of which rights to receive such Lease Payments have been assigned without recourse by the Authority to the Trustee. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Lease Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Debt Service Fund, the Interest Fund, the Capitalized Interest Fund, the Principal Fund and the Redemption Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Series 2022B Bonds are authorized to be issued in the form of fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations").

The Series 2022B Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any: (i) Net Insurance Proceeds received with respect to all or a portion of the property leased under the Facility Lease, to the extent such moneys are not used by the City for repair or replacement purposes as permitted by the Indenture, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof and (ii) eminent

domain proceeds received under the Facility Lease, that have been deposited by the Trustee in the Redemption Fund established under the Indenture, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series 2022B Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after November 1 20__, in Authorized Denominations, from and to the extent of prepaid Lease Payments paid pursuant to the Lease, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

The Series 2022B Bonds with stated maturities on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	***Principal Amount***

* Final Maturity.

The Series 2022B Bonds with stated maturities on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	***Principal Amount***

* Final Maturity.

Notice of redemption shall be given by the Trustee, not less than 20 nor more than 60 days prior to the redemption date (i) as to Bonds not registered in the name of a Securities Depository or its nominee, to the respective Owners of the Bonds designated for redemption at their addresses appearing on the Registration Books, (ii) as to Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Bonds, and (iii) the Information Services. Notice of redemption to the Owners pursuant to (i) above shall be given by mail at their

addresses appearing on the Registration Books, or any other method agreed upon by such Owner and the Trustee. Notice of redemption to the Securities Depositories pursuant to (ii) above and the Information Services pursuant to (iii) above shall be given by electronically secure means, or any other method agreed upon by such entities and the Trustee.

Neither failure to receive any such notice so given, nor any defect therein, shall affect the validity of the proceedings for the redemption of such Series 2022B Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. The Redemption Price of the Series 2022B Bonds to be redeemed shall be paid only upon presentation and surrender thereof at the Office of the Trustee. From and after the date fixed for redemption of any Series 2022B Bonds, interest on such Series 2022B Bonds will cease to accrue and become payable.

Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2022B Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount and maturity of fully registered Series 2022B Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Series 2022B Bond or Series 2022B Bonds, in Authorized Denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Authority, the City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority, the City and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the City, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the owner of each Bond so affected, or, (b) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (c) permit the creation of any lien on the Lease Payments and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the owners of the Bonds of the lien created by the Indenture on such the Lease Payments and such other assets (except as expressly provided in the Indenture), without the consent of the Owners of all Bonds then outstanding.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Authority under the Indenture shall be special obligations of the Authority, payable solely from Rental Payments and the other assets pledged therefor under the Indenture; provided, however, that all obligations of the Authority under the Bonds shall be special obligations of the Authority, payable solely from Lease Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed in its name and on its behalf by the facsimile signatures of its Executive Director and Secretary, all as of the Dated Date identified above.

MONTEBELLO PUBLIC
FINANCING AUTHORITY

By: _____
Executive Director

Attest:

_____
Secretary

[**FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION**]

This is one of the Series 2022B Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____ __, 2022

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By:_____
Authorized Signatory

[**FORM OF LEGAL OPINION**]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

_____

Secretary of the Montebello Public Financing Authority

[**FORM OF ASSIGNMENT**]

For value, received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by an eligible guarantor.

_____

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

EXHIBIT B

FORM OF PROJECT FUND REQUISITION

REQUISITION NO. _____ FOR
DISBURSEMENT FROM PROJECT FUND

The undersigned hereby states and certifies:

(i) that he/she is the duly appointed, qualified and acting _____ of the City of Montebello, a city duly organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.04 of the Indenture, dated as of _____ 1, 2022 (the "Indenture"), by and among the Montebello Public Financing Authority (the "Authority"), the City and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, as trustee (the "Trustee"), related to the Authority's Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable), the undersigned hereby requests the Trustee to disburse this date the following amounts from the Project Fund established under the Indenture, to the payees designated on the attached Exhibit 1;

(iii) that each obligation mentioned herein has been incurred by the City and is a proper charge against the Project Fund; and

(iv) that there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit 1, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

Dated: _____

CITY OF MONTEBELLO

By: _____
Its: _____

EXHIBIT 1

PROJECT FUND DISBURSEMENTS

Item Number	***Payee Name and Address***	***Purpose of Obligation***	***Amount***
_____			_____
_____			_____
_____			_____
_____			_____
_____			_____

EXHIBIT C

DESCRIPTION OF PROJECT

[Description of Topgolf Project to come.]

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

STRADLING YOCCA CARLSON & RAUTH
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Brian Forbath, Esq.

NO FEE FOR RECORDING PURSUANT TO GOVERNMENT CODE SECTION 27383

[Space above for Recorder's use.]

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF MONTEBELLO, AND THE RECORDING IS FEE-EXEMPT UNDER SECTION 27383 OF THE GOVERNMENT CODE.

SITE LEASE

by and between

CITY OF MONTEBELLO, as Lessor

and

MONTEBELLO PUBLIC FINANCING AUTHORITY, as Lessee

Dated as of _____ 1, 2022

Relating to

MONTEBELLO PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2022B (TOPGOLF PROJECT) (FEDERALLY TAXABLE)

SITE LEASE

THIS SITE LEASE (the "Site Lease") is made and entered into as of _____ 1, 2022, by and between the CITY OF MONTEBELLO, a California municipal corporation (the "City"), as lessor, and the Montebello Public Financing Authority, a California joint exercise of powers authority (the "Authority") established and existing pursuant to that certain Joint Exercise of Powers Agreement, dated as of September 2, 1997, as amended (the "JPA Agreement") by and between the City and the Parking Authority of the City of Montebello, a public agency, as lessor, and the City, as lessee.

RECITALS

A. The City desires to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project;

B. The Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the "Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)" (the "Bonds") for the purpose of financing the Project;

C. The Bonds will be payable, in part, from lease payments made by the City to the Authority under the Facility Lease (the "Facility Lease"), pursuant to which the City will lease from the Authority certain real property described in Exhibit A hereto (the "Site") upon which the Project (defined in the Sublease) will be constructed by the City, on behalf of the Authority for sublease to the City pursuant to the terms of the Facility Lease (the Project and the Site are referred to collectively herein as the "Facility"); and

D. During the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company ("Topgolf") under a lease agreement with the City in accordance with, *inter alia*, Section 37396 of the Government Code; and

E. To set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

F. The City and the Authority have determined that it is in the best interests of the City and for the common benefit of the citizens residing in the City, for the Authority to acquire a leasehold interest in the Site and to enter into this Site Lease.

AGREEMENT

In consideration of the mutual covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged by the parties, the parties hereto agree as follows:

Section 1. Lease of the Site. The City hereby leases to the Authority, and the Authority hereby leases from the City, the Site that is described in Exhibit A, on the terms and conditions hereof. The City represents and covenants that it is the owner in fee of the Site, subject only to Permitted Encumbrances and that the Site is properly zoned or approved for the uses contemplated by this Site Lease and the Facility Lease.

Section 2. Term; Possession. The term of this Site Lease commences, and the Authority becomes entitled to possession of the Site, as of the date of recordation hereof. This Site Lease ends, and the right of the Authority hereunder to possession of the Site thereupon ceases, on the date on which all of the outstanding Lease Payments are paid in full, or provision is made for such payment in accordance with the Facility Lease, and the Facility Lease has been terminated in accordance with its terms.

Section 3. Rental. The Authority shall pay to the City as and for rental of the Site hereunder the amount of $1.00 on _____, 2022.

Section 4. Purpose of this Site Lease; Sublease Back to City. The purpose for which the City agrees to lease the Site to the Authority hereunder is to enable the Authority to acquire a leasehold interest in the Site and finance the Project from the Lease Payments that the City will pay to the Authority under the Facility Lease. The Authority hereby agrees to sublease the Site back to the City under the Facility Lease.

Section 5. Assignments and Subleases. The Authority may not assign its rights under this Site Lease or sublet all or any portion of the Site, except as provided in the Facility Lease and the Assignment Agreement, without the prior written consent of the Trustee. Under the Facility Lease, the City has consented to the assignment of this Site Lease to the Trustee.

Section 6. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Site, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes that are necessary for the preservation thereof.

Section 7. Termination. The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Site in the same good order and condition as the Site was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures that are then existing upon the Site will remain thereon and title thereto will vest thereupon in the City for no additional consideration.

Section 8. Default. If the Authority defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Facility Lease shall be deemed to occur as a result thereof and this Site Lease may not be terminated by the City as a

remedy for such default. Notwithstanding the foregoing, so long as the Facility Lease remains in effect, the City shall continue to pay the Lease Payments as and when due under the Facility Lease to the Trustee in accordance with the Assignment Agreement. In the event of the occurrence of an Event of Default under the Facility Lease, the Authority may (i) exercise the remedies provided in the Facility Lease, and (ii) use the Site for any lawful purpose, subject to any applicable legal limitations or restrictions.

Section 9. Amendments. The Authority and the City may at any time amend or modify any of the provisions of this Site Lease, but only with the prior written consent of the Trustee.

Section 10. Quiet Enjoyment. The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Site, subject to the provisions of the Lease and Permitted Encumbrances.

Section 11. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority are solely corporate liabilities of the Authority, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority or its governing board is at any time or under any circumstances individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

Section 12. Taxes. The City will pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, that are levied or assessed upon the Site and any improvements thereon.

Section 13. Eminent Domain. If the whole or any part of the Site, or any improvements thereon, are taken by eminent domain proceedings, the interest of the Authority will be the aggregate amount of the then-unpaid principal components of the Lease Payments that are payable under the Lease and the balance of the award, if any, will be paid to the City. The City hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Authority in and to the Site through the eminent domain powers of the City. The City hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the City with respect to the Site or any improvement thereon shall be in an amount that is not less than the total unpaid principal components of Lease Payments plus the interest component of Lease Payments accrued to the date of payment of all Lease Payments under the Facility Lease.

Section 14. Notices. Any notice, request, complaint, demand or other communication under this Site Lease must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice will be effective either: (a) upon transmission by telecopy, telex or other form of telecommunication; (b) 48 hours after deposit in the United States first-class mail, postage prepaid; or (c) in the case of personal delivery to any person, upon actual receipt. The City, the Authority and the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City: City of Montebello
1600 W. Beverly Boulevard
Montebello, California 90640
Attention: City Manager

If to the Authority: Montebello Public Financing Authority
c/o City of Montebello
1600 W. Beverly Boulevard
Montebello, California 90640
Attention: Executive Director

Section 15. Governing Law. This Site Lease is governed by the laws of the State of California.

Section 16. Third Party Beneficiary. The Bank is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 17. Binding Effect. This Site Lease inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations herein.

Section 18. Severability of Invalid Provisions. If any one or more of the provisions of this Site Lease are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions of this Site Lease and such invalidity, illegality or unenforceability shall not affect any other provision of this Site Lease, and this Site Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

Section 19. Section Headings. All section headings 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 20. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which is an original but all together constitute one and the same instrument. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

Section 21. Defined Terms. All capitalized terms that are used herein and not otherwise defined have the respective meanings given those terms in the Facility Lease.

Section 22. No Merger. Neither this Site Lease, the Facility Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the City to the Site under this Site Lease and the City's leasehold interest therein under the Facility Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MONTEBELLO,
as Lessor

By: _____

City Manager

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

MONTEBELLO PUBLIC FINANCING AUTHORITY,
as Lessee

By: _____

Executive Director

CERTIFICATE OF ACCEPTANCE OF SITE LEASE

This is to certify that the interest in real property conveyed by the Site Lease, dated as of _____ 1, 2022, by and between City of Montebello, as lessor, and the Montebello Public Financing Authority, as lessee (the "Authority"), is hereby accepted by the undersigned officer on behalf of the Authority pursuant to a resolution adopted by the Board of Directors of the Authority on September 28, 2022, and the Authority consents to recordation thereof by its duly authorized officer.

Dated: _____, 2022

MONTEBELLO PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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

WITNESS my hand and official seal

_____

SIGNATURE OF NOTARY PUBLIC

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal

_____

SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

DESCRIPTION OF THE SITE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

STRADLING YOCCA CARLSON & RAUTH
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Brian Forbath, Esq.

NO FEE FOR RECORDING PURSUANT TO GOVERNMENT CODE SECTION 27383

[Space above for Recorder's use.]

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF MONTEBELLO, AND THE RECORDING IS FEE-EXEMPT UNDER SECTION 27383 OF THE GOVERNMENT CODE.

FACILITY LEASE

by and between

MONTEBELLO PUBLIC FINANCING AUTHORITY,
as Lessor

and

CITY OF MONTEBELLO,
as Lessee

Dated as of _____, 2022

Relating to

MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions and Rules of Construction 2
Section 1.2 Exhibits 3

ARTICLE II
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of the City 3
Section 2.2 Representations, Warranties and Covenants of the Authority 4

ARTICLE III
APPLICATION OF BOND PROCEEDS; CONSTRUCTION OF PROJECT

Section 3.1 Deposit of Bond Proceeds 6
Section 3.2 Financing of the Project 6
Section 3.3 Construction of the Project; Completion Certification 6
Section 3.4 Further Assurances and Corrective Instruments 6

ARTICLE IV
AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

Section 4.1 Lease 6
Section 4.2 Term 6
Section 4.3 Extension of Lease Term 7
Section 4.4 Lease Payments 7
Section 4.5 No Withholding 8
Section 4.6 Fair Rental Value 8
Section 4.7 Budget and Appropriation 8
Section 4.8 Assignment of Lease Payments 9
Section 4.9 Use and Possession 9
Section 4.10 Abatement of Lease Payments and Additional Payments 9
Section 4.11 Additional Payments 10
Section 4.12 Net-Net-Net Lease 10

ARTICLE V
INSURANCE

Section 5.1 Public Liability and Property Damage 11
Section 5.2 Worker's Compensation 11
Section 5.3 Hazard Insurance 11
Section 5.4 Rental Interruption Insurance 12
Section 5.5 Title Insurance 12
Section 5.6 Payment of Insurance Proceeds 12
Section 5.7 General Insurance Provisions 13
Section 5.8 Cooperation 13

TABLE OF CONTENTS
(*continued*)

Page

ARTICLE VI
DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1 Application of Net Proceeds 14

ARTICLE VII
COVENANTS WITH RESPECT TO THE FACILITY

Section 7.1 Use of the Facility 15
Section 7.2 Leasehold Interest in the Facility 15
Section 7.3 Option to Prepay Lease Payments 15
Section 7.4 Quiet Enjoyment 16
Section 7.5 Maintenance, Utilities, Taxes and Assessments 16
Section 7.6 Modification of the Site 16
Section 7.7 Authority's Disclaimer of Warranties 17

ARTICLE VIII
ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1 Assignment by the Authority 17
Section 8.2 Assignment and Subleasing by the City 17
Section 8.3 Amendments and Modifications 18

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined 18
Section 9.2 Remedies on Default 18
Section 9.3 No Remedy Exclusive 19
Section 9.4 Limitation on Remedies 19
Section 9.5 No Additional Waiver Implied by One Waiver 19
Section 9.6 Application of the Proceeds Following Default 19
Section 9.7 Trustee and Bond Owners to Exercise Rights 19

ARTICLE X
PREPAYMENT OF LEASE PAYMENTS

Section 10.1 Security Deposit 20
Section 10.2 Extraordinary Prepayment From Net Proceeds 20
Section 10.3 Optional Prepayment 20
Section 10.4 Credit for Amounts on Deposit 21
Section 10.5 Effect of Prepayment 21

ARTICLE XI
MISCELLANEOUS

Section 11.1 Notices 21
Section 11.2 Binding Effect 22
Section 11.3 Severability 22
Section 11.4 Execution in Counterparts 22
Section 11.5 Applicable Law 22

TABLE OF CONTENTS
(*continued*)

Page

Section 11.6	Captions	22
Section 11.7	No Merger	22
Section 11.8	Third-Party Beneficiary	22
Signatures		S-1
EXHIBIT A	DESCRIPTION OF THE SITE	A-1
EXHIBIT B	SCHEDULE OF LEASE PAYMENTS	B-1

FACILITY LEASE

THIS FACILITY LEASE (the "Facility Lease"), dated as of _____, 2022, is entered into by and between the Montebello Public Financing Authority, a California joint exercise of powers authority (the "Authority") established and existing pursuant to that certain Joint Exercise of Powers Agreement, dated as of September 2, 1997, as amended (the "JPA Agreement") by and between the City of Montebello, a California municipal corporation (the "City") and the Parking Authority of the City of Montebello, a public agency, as lessor, and the City, as lessee (the "City");

WITNESSETH:

WHEREAS, the City Council (the "Council") of the City has determined that it is in the best interests of the City and for the common benefit of the citizens residing in the City, for the Authority to acquire a leasehold interest in certain real property described in Exhibit A hereto (the "Site") upon which the Project (defined below) will be constructed by the City, on behalf of the Authority for sublease to the City pursuant to the terms of this Facility Lease; and

WHEREAS, the City and the Authority desire to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project; and

WHEREAS, such financing will be accomplished through the issuance of revenue bonds (the "Series 2022B Bonds") by the Authority which will be payable, in part, from lease payments made by the City to the Authority under this Facility Lease, pursuant to which the City leases from the Authority the Site and the Project (the Project and the Site are refined to collectively herein as the "Facility"); and

WHEREAS, during the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company ("Topgolf") under a lease agreement with the City in accordance with, *inter alia*, Section 37396 of the Government Code; and

WHEREAS, to set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

WHEREAS, the City Council has determined that it is in the best interest of the City and for the common benefit of the citizens residing in the City to assist in the financing of the Project and to enter into this Facility Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged by the parties, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1 Definitions and Rules of Construction. Capitalized terms used and not defined herein shall, for all purposes of this Facility Lease, have the meanings specified in the Indenture; and the additional terms defined herein shall, for all purposes of this Facility 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 Facility Lease, refer to this Facility Lease as a whole.

"Additional Payments" has the meaning set forth in Section 4.11.

"Bonds" means the $_____ Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable), issued by the Authority pursuant to the Indenture.

"Facility" has the meaning set forth in the recitals.

"Facility Lease" means this Facility Lease, by and between the Authority, as lessor, and the City, as lessee, as amended and supplemented from time to time.

"Fiscal Year" means the fiscal year of the City, as it may be modified from time to time, currently July 1 through June 30.

"Hazardous Substances" means any substance, waste, pollutants, or contaminants now or hereafter included in such (or any similar) term under any federal, state or local code, statute, regulation or ordinance now in effect or hereafter enacted or amended.

"Improvement Rent" means Rent payable by Topgolf to City under the Sublease and designated therein as Improvement Rent.

"Indenture" means the Indenture, dated as of the date hereof, by and between The Bank of New York Mellon Trust Company, N.A., as trustee, and the Authority, as amended and supplemented from time to time.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the State and who is not an employee or officer of the Authority or the City.

"Lease Payment Date" means each May 1 and November 1, commencing May 1, 2023.

"Lease Payments Fund" means the fund established pursuant to Section 4.4(d) hereof.

"Permitted Encumbrances" means as of any particular time: (1) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which Topgolf may, pursuant to Section 6.6 of the Sublease, permit to remain unpaid; (2) the Site Lease, as it may be amended from time to time; (3) this Facility Lease, as it may be amended from time to time; (4) the Assignment Agreement, as it may be amended from time to time; (5) the Sublease as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the

manner prescribed by law after the Delivery Date for the Bonds which is being contested by Topgolf in accordance with Section 6.7(b) of the Sublease; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Delivery Date for the Bonds and which the City certifies in writing on the Delivery Date for the Bonds will not materially impair the use of the Facility for its intended purpose; and (8) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date for the Bonds, or existing on any real property substituted for the Site, to which the Authority and the City consent in writing and which the City certifies will not materially impair the use of the Facility for its intended purpose and will not, in and of itself, result in abatement of Lease Payments under this Facility Lease. [To be updated]

"Project" has the meaning set forth in recitals.

"Site" has the meaning set forth in recitals.

"Site Lease" means the Site Lease defined in the recitals hereto, as amended and supplemented from time to time.

"Sublease" means the Sublease Agreement dated the date hereof by and between the City and Topgolf, as it may be amended and supplemented from time to time.

"Tax-Exempt Bonds" means Additional Bonds the interest on which is intended to be excluded from gross income under federal income tax laws.

"Term" means the term of this Facility Lease as established by Section 4.2 hereof.

"Topgolf" has the meaning set forth in recitals.

Section 1.2 Exhibits. The following Exhibits are attached to, and by reference made a part of, this Facility Lease:

Exhibit A: Description of the Site.
Exhibit B: Schedule of Lease Payments.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Authority as follows:

(a) Due Organization and Existence. The City is a municipal corporation, duly organized and existing under and by virtue of the Constitution and laws of the State, with the power and authority to own, lease and acquire real and personal property and equipment.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the City to enter into this Facility Lease, and the Sublease and to enter into the transactions contemplated by and to carry out its obligations under this Facility Lease, and the Sublease and the City has duly authorized the execution and delivery of this Facility Lease, and the Sublease. This

Facility Lease, and the Sublease constitute the legally, valid and binding obligations of the City, enforceable in accordance with their terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; No Liens or Encumbrances. Neither the execution and delivery of this Facility Lease, and the Sublease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby and 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 City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the City or upon the Site, except for Permitted Encumbrances and the pledges contained in the Indenture.

(d) Execution and Delivery. The City has duly executed and delivered this Facility Lease, and the Sublease in accordance with the Constitution and laws of the State and the City Charter.

(e) Indemnification of the Authority and the Trustee. To the extent permitted by law, the City covenants to defend, indemnify and hold harmless the Authority and the Trustee and their respective assigns, board members, directors, officers and employees (collectively, the "Indemnified Party") against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, 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 Facility Lease arising solely from City negligence or willful misconduct, 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 Facility Lease. In particular, without limitation, to the extent permitted by law, the City shall and hereby agrees to indemnify and save the Indemnified Party 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 Site by the City including, without limitation, any Hazardous Materials Activity on or about the Site by the City or the violation of any Environmental Laws at the Site by the City or in connection with the construction or operation of the Project, (ii) any breach or default on the part of the City in the performance of any of its obligations under this Facility Lease, (iii) any act of negligence of the City or of any of its agents, contractors, servants, employees, licensees or invitees with respect to the Facility, (iv) any act of negligence of any assignee or sublessee of the City with respect to the Facility, or (v) any accident, injury or damage to any person or property occurring in, on or about the Facility or any part thereof. Notwithstanding the foregoing, the City shall not defend, indemnify and hold harmless any Indemnified Party for claims, losses or damages, including legal fees and expenses, arising out of the willful misconduct or negligence of such Indemnified Party.

Section 2.2 Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the City as follows:

(a) Due Organization and Existence; Enforceability. The Authority is a public body corporate and politic duly organized, existing and in good standing under and by virtue of the laws of the State and the JPA Agreement, has the power to enter into the Site Lease, this Facility

Lease, the Assignment Agreement and the Indenture; 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 the Site Lease, this Facility Lease, the Assignment Agreement and the Indenture. The Site Lease, this Facility Lease, the Assignment Agreement and the Indenture constitute the legally valid and binding obligations of the Authority, enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Encumbrances. The Authority will not pledge or encumber the Lease Payments or Additional Payments or other amounts derived from the Facility or from its other rights under this Facility Lease or the Site Lease, except as provided under the terms of this Facility Lease, the Site Lease, the Assignment Agreement and the Indenture.

(c) No Conflicts or Defaults; No Liens or Encumbrances. Neither the execution and delivery of the Site Lease, this Facility Lease, the Assignment Agreement, or the Indenture, 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 formation documents of the Authority or any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority, except for the Assignment Agreement and the pledges contained in the Indenture, or upon the Site, except for the Permitted Encumbrances.

(d) Execution and Delivery. The Authority has duly executed and delivered the Site Lease, this Facility Lease, the Assignment Agreement, and the Indenture in accordance with the Constitution and laws of the State and the JPA Agreement.

(e) Maintenance of Existence. To the extent permitted by law, the Authority agrees that during the term hereof it will maintain its existence as a joint powers authority, will not dissolve or otherwise dispose of all or substantially all of its assets, if any, will not become a general or limited partner in any partnership and will not combine or consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it, unless (i) such action will not cause a merger of the City's leasehold interest in the Facility and Topgolf's sub-leasehold interests in the Facility, (ii) the successor thereto is a public agency which expressly agrees to assume all rights and responsibilities of the Authority under the Site Lease, this Facility Lease, the Assignment Agreement, and the Indenture, and (iii) the Authority provides to the Trustee an Opinion of Bond Counsel that such combination, consolidation or merger will not, in and of itself, cause the interest on any Outstanding Tax-Exempt Bonds to be included in the gross income of the Owners thereof for federal income tax purposes. Nothing herein shall prevent the Authority from becoming a member of another joint exercise of powers authority.

(f) Use of Topgolf Sublease Payments. The Authority acknowledges and agrees that any payments made by Topgolf to the City under the Sublease as [Base Rent] may not be pledged by the Authority to the repayment of the Bonds.

ARTICLE III

APPLICATION OF BOND PROCEEDS; CONSTRUCTION OF PROJECT

Section 3.1 Deposit of Bond Proceeds. On the Delivery Date for the Bonds, the Authority shall cause the net proceeds of the Bonds to be paid to the Trustee. Such funds shall be deposited by the Trustee in the funds and accounts as provided in Section 3.02 of the Indenture.

Section 3.2 Financing of the Project. The Trustee shall disburse the net proceeds of the Bonds for the purpose of paying the costs of issuance of the Bonds and the costs of constructing the Project and other portions of the Project in accordance with Sections 3.03 and 3.04 of the Indenture.

Section 3.3 Construction of the Project; Completion Certification. The Authority hereby appoints the City as its agent for purposes of constructing the Project and the City consents to such appointment. The City and the Authority expect that construction of the Project will be substantially completed in accordance with plans and specifications described in the Sublease on or prior to _____, 20__.

Upon the completion of acquisition, construction, delivery and installation of the Project, the Authority shall deliver to the Trustee a Completion Certificate with respect thereto. On the date of filing a Completion Certificate, all excess moneys remaining in the Project Fund under the Indenture shall be applied in accordance with the provisions of Section 3.04 of the Indenture.

If the Authority, for any reason whatsoever, cannot deliver possession of the Facility to the City by _____, 20__, and as a result of which non-delivery the City is deprived of the use and occupancy of a substantial portion of the Facility, this Facility Lease shall not be void or voidable, nor shall the Authority be liable to the City for any loss or damage resulting therefrom. In such event, however, Lease Payments and Additional Payments, with respect to the period between _____, 20__ and the time when the Project is substantially completed and the Facility is available for use and occupancy by the City, shall be payable solely to the extent and from the sources of payment identified in Section 4.10(a) hereof.

Section 3.4 Further Assurances and Corrective Instruments. The Authority and the City shall 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 Site hereby leased or intended to be leased or for carrying out the expressed intention of this Facility Lease.

ARTICLE IV

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

Section 4.1 Lease. The Authority hereby leases the Facility to the City and the City hereby leases the Facility from the Authority upon the terms and conditions set forth herein and subject to the Permitted Encumbrances.

Section 4.2 Term. The Term of this Facility Lease shall commence on the Closing Date for the Bonds and shall end on November 1, 20__, unless extended pursuant to Section 4.3 hereof, or unless terminated prior thereto upon the earliest of any of the following events:

(a) Payment of All Lease Payments. The payment by the City of all Lease Payments required under Section 4.4 hereof and any Additional Payments required under Section 4.11 hereof; or

(b) Prepayment. The prepayment of all Lease Payments in accordance with Article X hereof and the payment of all Additional Payments due through such prepayment date.

Section 4.3 Extension of Lease Term. If on the final maturity date of the Bonds all interest and principal shall not be fully paid by the City, or if the Lease Payments or Additional Payments hereunder shall have been abated at any time as permitted by the terms hereof, then the Term shall be extended until all Bonds and Additional Payments shall be fully paid, except that the Term shall in no event be extended beyond November 1, 20__.

Section 4.4 Lease Payments.

(a) Time and Amount. Subject to the provisions of Section 4.10 (regarding abatement in event of non-delivery of the Facility or loss of use of any portion of the Facility) and Article X (regarding prepayment of Lease Payments), the City agrees to pay to the Authority, its successors and assigns, from moneys on deposit in the Lease Payments Fund, as annual rental for the use and possession of the Facility, the Lease Payments. The Lease Payments are intended to be sufficient in both time and amount to pay when due the principal and interest on the Bonds, and are due and payable in arrears and in immediately available funds fifteen days prior to each May 1 and November 1, commencing May 1, 2023 (the "Lease Payment Date") as set forth in Exhibit B hereto. The payment due fifteen days prior to each May 1 shall be rental for the period from the prior November 1 through the next following April 30 and the payment due fifteen days prior to each November 1 shall be rental for the period from the prior May 1 through the next following October 31; provided, however, the portion of the payment due on November 1 attributable to principal on the Bonds shall be payment for the rental period commencing the prior November 1.

The obligation of the City to pay Lease Payments shall commence on the first Lease Payment Date set forth in Exhibit B hereto; provided, however, that, until the Facility is completed and made available for use and occupancy by the City, the Lease Payments may be abated and shall be paid only to the extent described in Section 4.10(a) hereof from any liquidated damages of the type described in Section 4.10(a) hereof and any Improvement Rent deposited to the Debt Service Fund, or any other source of legally available funds.

All amounts received by the City as Improvement Rent under the Sublease shall be promptly transferred by the City to the Trustee (as assignee of the Authority) for deposit in the Debt Service Fund maintained under the Indenture.

(b) Credits. Any amount held under the Indenture in the Debt Service Fund on the date any Lease Payment is made by the City (other than amounts (i) held in the Debt Service Fund for the payment of designated Bonds, (ii) required for payment of past due principal or interest with respect to any Bonds that have matured or been called for redemption and have not been presented for payment, (iii) which have been paid with respect to a prior Lease Payment Date but not yet distributed to Owners, or (iv) transferred from the Reserve Account, which transfer caused the balance therein to be less than the Reserve Requirement, shall be credited towards the Lease Payment then due and payable. No payment need be made by the City on any Lease Payment Date if the

amounts then held in the Debt Service Fund (other than those amounts excluded under the prior sentence) are at least equal to the Lease Payment then required to be paid.

(c) Rate on Overdue Payments. In the event the City should fail to make all or any portion of any Lease Payments required by this Section 4.4 other than as a result of a Deficiency, the unpaid Lease Payments, or portion thereof unpaid, shall continue as an obligation of the City until the unpaid amount shall have been fully paid, and the City agrees to pay the same with interest thereon from the date such amount was originally due at the rate equal to the original interest rate payable on the Outstanding Bonds.

Section 4.5 No Withholding. Notwithstanding any dispute between the Authority and the City, other than a dispute arising under Section 4.10 hereof as a result of which the City has concluded that it may not legally pay the Lease Payments in dispute, the City shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

Section 4.6 Fair Rental Value. The Lease Payments and the Additional Payments (as defined in Section 4.11 hereof) shall be paid by the City in consideration of the right of possession and the continued quiet use and enjoyment of, the Facility during each such period for which said rental is to be paid. The parties hereto have agreed and determined that the Lease Payments and Additional Payments payable in each Fiscal Year do not exceed the fair rental value of the Facility for such Fiscal Year and the total rental to be paid hereunder does not exceed the fair rental value of the Facility during the Term of this Facility Lease. In making such determinations, consideration has been given to the fair rental value of the Facility including but not limited to costs of operation, maintenance, taxes and insurance, the construction cost of the Project, the insured value of the Facility, the uses and purposes which may be served by the Facility and the essential public benefits therefrom which will accrue to the City and the general public.

Section 4.7 Budget and Appropriation. The City covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due hereunder in each of its proposed annual budgets and its final adopted annual budgets beginning with the Fiscal Year in which the first Lease Payment Date occurs through the Term of this Facility Lease and to make the necessary appropriations for such Lease Payments and Additional Payments. The City shall furnish to the Trustee within 15 days following adoption of the final budget in each Fiscal Year a certificate stating that the Lease Payments were included in the final budget as adopted.

To the extent that the amount of such Lease Payments or Additional Payments becomes known after the adoption of the annual budget, such amounts shall be included and maintained in such budget as amended. The City covenants to take such action as is necessary to include such amounts in an amendment to the supplemental budget of the City. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Facility Lease agreed to be carried out and performed by the City.

The obligation of the City to pay Lease Payments and Additional Payments hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City, or the State, or any political subdivision thereof, in contravention of any applicable constitutional or

statutory limitation or requirements concerning the creation of indebtedness by the City, the State, or any political subdivision thereof, nor shall anything contained herein constitute a pledge of general revenues, funds or moneys of the City or an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Section 4.8 Assignment of Lease Payments. The Authority's rights under this Facility Lease, including the right to receive and enforce payment of the Lease Payments to be made by the City hereunder, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the City hereby consents. The Authority hereby directs the City, and the City hereby agrees, to pay to the Trustee at the Trustee's corporate trust office, or to the Trustee at such other place as the Trustee shall direct in writing, all Lease Payments or prepayments thereof pursuant to Article X hereof payable by the City hereunder. The Authority will not assign or pledge the Lease Payments or other amounts derived from the Facility or from its other rights under this Facility Lease or its duties and obligations hereunder except as provided under the terms of this Facility Lease, the Assignment Agreement or the Indenture.

Section 4.9 Use and Possession. The total Lease Payments and Additional Payments due in any Fiscal Year shall be for the use and possession of the Facility for such Fiscal Year. During the Term of this Facility Lease, the City shall be entitled to the exclusive use and possession of the Facility, subject only to the Permitted Encumbrances.

Section 4.10 Abatement of Lease Payments and Additional Payments.

(a) In the Event of Non-Delivery. To the extent described below, the amount of Lease Payments and Additional Payments due hereunder shall be abated during any period in which by reason of delay in the completion of the Project beyond _____, 20__ [fifteen months following the Closing] there is substantial interference with the City's use and occupancy of the Facility. The amount of such abatement shall be such that the resulting Lease Payments and Additional Payments do not exceed the fair rental value (as determined by an independent real estate appraiser selected by the City, who may not be an employee of the City) for the use and occupancy of the portions of the Facility available to the City for its use and occupancy. Such abatement shall continue until the substantial completion of the Facility. Notwithstanding the foregoing, the City shall remain obligated to make Lease Payments and Additional Payments hereunder, as an obligation of the City payable from a special fund, (i) to the extent there are proceeds of any completion or performance bonds or moneys paid to the City by the City's contractors or any other person as liquidated damages as a result of any defect or delay in completion of the portion of the Project being constructed on the Site, or (ii) to the extent that amounts in the Debt Service Fund are available to pay Lease Payments which would otherwise be abated under this Section 4.10(a). Any amounts received by the City as liquidated damages shall be delivered by the City to the Trustee immediately upon receipt thereof for deposit by the Trustee in the Debt Service Fund.

(b) In the Event of Damage, Destruction, Condemnation or Title Defect. Except to the extent that proceeds of the type described in Sections 5.4 and 5.6(c) are available, the Lease Payments and Additional Payments shall be abated during any period in which there is substantial interference with the use or possession of all or a portion of the Facility by the City by condemnation, damage, destruction or title defect. The amount of such abatement shall be such that the resulting Lease Payments, exclusive of the amounts described in Sections 5.4 and 5.6(c), do not exceed the fair rental value (as determined by one or more independent appraisers selected by the City, who are not employees of the City) for the use and possession of the portion of the Facility for which no

substantial interference has occurred. The City shall calculate such abatement and shall provide the Trustee and the Authority with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period of the substantial interference with the use or possession of the Facility. Except as provided herein, in the event of any such interference with use or possession, this Facility Lease shall continue in full force and effect and the City waives any right to terminate this Facility Lease by virtue of any such interference.

(c) The City's obligation to pay Lease Payments as and to the extent required by this Facility Lease shall not be subject to use of the Facility by Topgolf, Topgolf's performance under the Sublease or the status of the Sublease.

(d) Notwithstanding a substantial interference with the use or possession of all or a portion of the Facility, the City shall remain obligated to make Lease Payments (i) in the amount determined in accordance with subsection (a) or (b) above; (ii) to the extent of proceeds of the type described in Sections 5.4 and 5.6(c), (iii) to the extent that moneys derived from any person as a result of any delay in the construction, reconstruction, replacement or repair of the Facility, or any portion thereof, are available to pay the amount which would otherwise be abated; or (iv) to the extent that moneys are available in the Debt Service Fund to pay the amount which would otherwise be abated.

(e) In the event of any interference with use as described in this Section 4.10, this Lease shall continue in full force and effect and the City waives the benefits of California Civil Code Section 1932(2) and 1933(4) and Title 11 of the United States Code, Section 365(h) and all other rights to terminate this Lease by virtue of any such interference.

Section 4.11 Additional Payments. In addition to the Lease Payments, the City shall also pay Additional Payments, which shall include such amounts as shall be required for the payment of all administrative costs of the Authority and the City relating to the Facility and the Bonds, including without limitation all expenses, assessments, compensation and indemnification of the Trustee payable under the Indenture, any amounts required to be rebated to the federal government in order to comply with the provisions of Section 148 of the Code regarding any Tax-Exempt Bonds, taxes of any sort whatsoever payable by the Authority as a result of its lease of the Facility or undertaking of the transactions contemplated herein or in the Indenture, fees of auditors, accountants, attorneys or engineers, insurance premiums required by Article V hereof, items required by Section 7.7 hereof and all other necessary administrative costs of the Authority and the City or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds and any Additional Bonds or of the Indenture, or to indemnify the Authority and its officers and directors (collectively, "Additional Payments"). All such Additional Payments to be paid hereunder shall be paid when due directly by the City to the respective parties to whom such Additional Payments are owing. The City's obligation to pay Additional Payments shall be limited to an amount not to exceed the cumulative sources of revenue described in Section 4.4(c).

Section 4.12 Net-Net-Net Lease. This Lease is and shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments shall be an absolute net return to the Authority, free and clear of any expenses, taxes, fees, insurance premiums, rebate payments, reserve deposits, charges, counterclaims, set-offs or other costs associated with the Facility or this Facility Lease, whatsoever.

ARTICLE V

INSURANCE

Section 5.1 Public Liability and Property Damage.

(a) Coverage. The City shall maintain, or cause Topgolf to maintain, throughout the Term hereof, a standard comprehensive general public liability and property damage policy or policies, including general liability, liquor liability, automobile liability, in protection of the City and the Authority and their respective officers, agents and employees as additional insureds under the policy or policies. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Facility.

(b) Limits. Said policy or policies shall provide coverage in the minimum liability limits of $20,000,000 for personal injury or damage to property resulting from each accident or event. The general aggregate limit shall be not less than Forty Million Dollars ($40,000,000) unless a Twenty Million Dollars ($20,000,000) per location aggregate limit is provided by separate endorsement. Such public liability and property damage insurance may, however, be in the form of a single limit policy covering all such risks in an amount equal to the aggregate minimum liability limits set forth herein.

(c) Joint or Self-Insurance. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City. Such liability insurance may be maintained by the City in the form of self-insurance which complies with Section 5.6(e) hereof.

(d) Satisfaction by Topgolf. The requirements of this Section 5.1 shall be deemed satisfied by Topgolf's compliance with and satisfaction of the requirements of Section 16.2 of the Sublease.

Section 5.2 Worker's Compensation. The City shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in the State; or any act hereafter enacted as an amendment or supplement thereto, or in lieu thereof such insurance, or a part thereof, may be maintained by the City in the form of self-insurance which complies with Section 5.6(e) hereof.

Section 5.3 Hazard Insurance.

(a) Coverage. The City shall maintain throughout the Term hereof, a policy or policies of insurance against loss or damage to the Facility resulting from fire, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage", excluding flood and earthquake; provided, however, that an earthquake and flood rider shall be purchased for the Facility if the City reasonably determines that such coverage is available at a reasonable cost. This policy or policies may be in the form of a builder's risk policy providing coverage in an amount not less than the construction costs expended for the Project until such time as the Facility is complete and available for use and occupancy and thereafter shall be maintained in an amount not less than the full replacement value of the Facility and shall name the Authority and the Trustee as additional insureds

and the Trustee as loss payee under the policy or policies. The term "full replacement value" as used in this Section 5.3 shall mean the actual replacement cost of the improvements located on the Site (including the cost of restoring the surface of the Site, but excluding the cost of restoring trees, plants and shrubs).

(b) Joint or Self-Insurance. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the City. The City shall not maintain such insurance in the form of self-insurance.

(c) Satisfaction by Topgolf. The requirements of this Section 5.3 shall be deemed satisfied by Topgolf's compliance with and satisfaction of the requirements of Section 16.2 of the Sublease.

Section 5.4 Rental Interruption Insurance.

(a) Coverage and Amount. The City shall maintain rental interruption insurance with respect to the Facility in an amount not less than the maximum scheduled Lease Payments payable in any twenty-four month period during the Term hereof due with respect to the Facility, to insure against loss of rental income from the Facility caused by perils covered by the insurance required to be maintained as provided in Section 5.3 hereof. Such insurance shall be obtained not later than thirty (30) days prior to the first Lease Payment Date set forth in Exhibit B hereto.

(b) Joint Insurance. Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the City. The City shall not maintain rental interruption insurance in the form of self-insurance.

(c) [Satisfaction by Topgolf. The requirements of this Section 5.4 shall be deemed satisfied by Topgolf's compliance with and satisfaction of the requirements of Section 16.2 of the Sublease.]

Section 5.5 Title Insurance. The City shall obtain on the Delivery Date for the Bonds, title insurance on the Site, in the form of an ALTA Owner's/Leasehold Policy with Western Regional Exceptions. The title policy or policies in effect at any time with respect to the Site shall be in an amount at least equal to the aggregate outstanding principal amount of the Bonds and be issued by a company of recognized standing duly authorized to issue the same. The title policy or policies shall insure the City's leasehold estate hereunder in the Site, subject only to Permitted Encumbrances. The City shall not maintain title insurance in the form of self-insurance.

Section 5.6 Payment of Insurance Proceeds.

(a) Proceeds of any policies of liability insurance required by Section 5.1 above shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

(b) Any Net Proceeds of hazard insurance required by Section 5.3 above shall be paid to the Trustee and be applied as provided in Section 6.1(a).

(c) Proceeds of any rental interruption insurance required by Section 5.4 above shall be paid to the Trustee and credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

(d) The proceeds of any title insurance required by Section 5.5 above shall be paid to the Trustee and be applied as provided in Section 6.1(a).

Section 5.7 General Insurance Provisions.

(a) Form of Policies. All policies of insurance required to be procured and maintained pursuant to this Facility Lease, other than the worker's compensation insurance and the title insurance specified in Sections 5.2 and 5.5 hereof, respectively, and any statements of self-insurance shall provide that the City and the Trustee shall receive 30 days' notice of each expiration, or any intended cancellation thereof or reduction of the coverage provided thereby. Insurance required to be procured and maintained pursuant to Section 5.3 hereof (regarding hazard insurance); Section 5.4 hereof (regarding rental interruption insurance) and Section 5.5 hereof (regarding title insurance) shall provide that all proceeds thereunder shall be payable to the Trustee as the insured or loss payee. Required insurance policies, other than self-insurance, must be provided by a commercial insurer rated A or better by Best or in the two highest rating categories of S&P and Moody's. The insurance required by Sections 5.3 and 5.4 shall name the City as the insured and the Trustee and the Authority as additional insureds.

(b) Payment of Premiums. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Facility Lease.

(c) Protection of the Trustee. The Trustee shall not be responsible for the sufficiency or adequacy of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City and the Authority.

(d) Evidence of Insurance. The City shall deliver certificates to the Trustee within the 30 days prior to November 1 of each year during the Term of this Facility Lease evidencing that the insurance policies required by this Facility Lease are in full force and effect.

(e) Self-Insurance. Any self-insurance maintained by the City pursuant to Section 5.1(c) or 5.2 hereof shall afford reasonable protection to the Authority, the City and the Trustee. Prior to self-insuring and within 30 days prior to each November 1 thereafter, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant selected by the City, or other qualified person selected by the City, stating that, in the opinion of the signer, the method or plan of protection is actuarially sound and affords adequate protection to the Authority, the City and the Trustee against loss and damage from the hazards and risks covered thereby, and there shall also be filed with the Trustee a certificate of the City setting forth the details of such substitute method or plan. Any self-insurance fund must be held in a separate trust fund by an independent trustee. In the event any self-insurance program is discontinued, the actuarial soundness of the claim reserve fund shall be maintained by the City. The Trustee shall be fully protected in relying on the certificate provided in accordance with this Section 5.6(e) and shall not be responsible for the review or verification of the certificate describing such method or plan.

The City shall maintain adequate reserves to cover the amount of any deductible provisions of the insurance required to be maintained pursuant to Sections 5.1, 5.2, 5.3 and 5.4 hereof.

Section 5.8 Cooperation. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy maintained

pursuant to this Article and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Facility or any portion thereof.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1 Application of Net Proceeds.

(a) Deposit of Net Proceeds of Insurance in Insurance and Condemnation Fund. Pursuant to Section 5.03 of the Indenture, the Trustee shall deposit the Net Proceeds of any insurance required by Section 5.3 hereof and the proceeds of the title insurance required by Section 5.5 hereof in the Insurance and Condemnation Fund promptly upon receipt thereof.

(b) Disbursement for Replacement or Repair of the Facility. Upon receipt of the certification described in paragraph (i) below and the requisition described in paragraph (ii) below, the Trustee is required by the Indenture to disburse moneys in the Insurance and Condemnation Fund to the person, firm or corporation named in the requisition as provided in Section 5.03 of the Indenture.

(i) Certification. An Authorized Representative of the City must provide to the Authority and the Trustee a certificate stating that:

(A) Sufficiency of Net Proceeds. The available Net Proceeds, together with any other funds made available for the purpose of replacing or repairing the Facility, are sufficient to repair or replace the Facility to a use which will have an annual fair rental value not less than the maximum annual Lease Payments and the Additional Payments (assuming that the annual Additional Payments due in the future will equal the average annual Additional Payments prior to such date) due hereunder, and

(B) Timely Completion. In the event that damage, destruction, title defect or taking results in an abatement of Lease Payments, such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds as described in Section 5.4 hereof, together with other legally available funds deposited with the Trustee, will be available to pay in full all Lease Payments coming due during such period.

(ii) Requisition. An Authorized Representative of the City must state 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 Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation.

Any balance of the Net Proceeds remaining after such replacement or repair has been completed shall be disbursed as provided in Section 5.03 of the Indenture.

(c) Disbursement for Prepayment. If an Authorized Representative of the City notifies the Trustee in writing of the City's determination that the certification provided in

Section 6.1(b)(i) hereof cannot be made then the Net Proceeds will be applied to prepay Lease Payments and redeem Bonds as set forth in Section 5.03 of the Indenture and this Facility Lease shall terminate.

(d) Deposit of Net Proceeds of Condemnation in Insurance and Condemnation Fund. The City and the Authority shall transfer to the Trustee any Net Proceeds received by the City or Authority in the event of any taking by eminent domain or condemnation with respect to the Facility, for deposit in the Insurance and Condemnation Fund. If the whole of the Facility or so much thereof as to render the remainder unusable for the purposes for which it was used by the City shall be taken under the power or threat of eminent domain, the term of this Facility Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Facility shall be taken under the power or threat of eminent domain and the remainder is usable for the purposes for which it was used by the City at the time of such taking, then this Facility Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of Lease Payments due hereunder will be reduced by the application of the award in eminent domain to the prepayment of Lease Payments due hereunder.

ARTICLE VII

COVENANTS WITH RESPECT TO THE FACILITY

Section 7.1 Use of the Facility. The City represents and warrants that it has an immediate essential need for all of the Facility, which need is not expected to be temporary or to diminish in the foreseeable future.

Section 7.2 Leasehold Interest in the Facility.

(a) Authority Holds Leasehold Interest During Term. During the term of the Site Lease, the Authority shall hold a leasehold interest in the Site pursuant to the Site Lease and shall be the owner of the Project and the City shall hold a leasehold interest in the Facility pursuant to this Facility Lease. The Authority 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 Authority's leasehold interest in the Site and its ownership of the Project at all times during the term of this Facility Lease. The City 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 City's leasehold interest in the Facility at all times during the term of this Facility Lease.

(b) Leasehold Interest Transferred to the City. On the day of the expiration of the Term as provided in Section 4.2 hereof, all right, title and interest of the Authority in the Site pursuant to the Site Lease and all right, title and interest of the Authority in the Project shall terminate without the necessity of any additional document of transfer by either of the parties and title to the Facility shall vest in the City.

Section 7.3 Option to Prepay Lease Payments. The City may exercise an option to prepay all or a portion of the Lease Payments in accordance with Article X hereof and, by prepaying Lease Payments in the amounts necessary to cause the termination of the Term as provided in Section 4.2(b) hereof, terminate the Authority's leasehold interest in the Site pursuant to the Site Lease and the Authority's right, title and interest in the Facility.

Section 7.4 Quiet Enjoyment. Subject only to the Permitted Encumbrances, during the Term of this Facility Lease the Authority shall provide the City with quiet use and enjoyment of the Facility, and the City shall during such Term peaceably and quietly have and hold and enjoy the Facility, without suit, trouble or hindrance from the Authority, or any person or entity claiming under or through the Authority except as expressly set forth in this Facility Lease, the Assignment Agreement or the Indenture. The Authority will, at the request of the City, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so.

Section 7.5 Maintenance, Utilities, Taxes and Assessments.

(a) Maintenance; Repair and Replacement. Throughout the Term of this Lease, as part of the consideration for the rental of the Site, all repair and maintenance of the Site shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Site resulting from ordinary wear and tear or want of care on the part of the City or any sublessee thereof. The City shall provide or cause to be provided all security service, custodial service, power, gas, telephone, light, heating and water, and all other public utility services for the Site. The City shall cause Topgolf to perform its obligations under the Sublease with respect to the maintenance, repair and replacement of the Site and the Project.

(b) Tax and Assessments; Utility Charges. The City shall also pay or cause to be paid (including by Topgolf under the Sublease) all taxes and assessments, including but not limited to utility charges of any type or nature charged to the Authority or the City or levied, assessed or charged against any portion of the Site or the respective interests or estates therein; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The City may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Authority and the Trustee with the opinion of an Independent Counsel to the effect that, by nonpayment of any such items, the interest of the Authority in such portion of the Site will not be materially endangered and that the Site will not be subject to loss or forfeiture. Otherwise, the City shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Authority. The Authority will cooperate fully in such contest, upon the request and at the expense of the City.

Section 7.6 Modification of the Site.

(a) Additions, Modifications and Improvements. The City shall, at its own expense (or at the expense of Topgolf under the Sublease), have the right to make additions, modifications and improvements to any portion of the Site if such additions, modifications or improvements are necessary or beneficial for the use of such portion of the Site. Such additions, modifications or improvements shall not in any way damage any portion of the Site 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 exclusion from gross income for federal income tax purposes of the interest on the Bonds or diminish the fair rental value of the Site; and the Site, upon completion of

any additions, modifications or improvements made pursuant to this Section, shall be of a value which is not less than the value of the Site immediately prior to the making of such additions, modifications or improvements. Any additions, modifications and Improvements (defined in the Sublease) performed by Topgolf under the Sublease shall comply with the requirements of this Facility Lease.

(b) Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims on or with respect to the Facility, other than the Sublease. The City 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; provided that the City may contest such lien or claim if it desires to do so, so long as such contest will not adversely affect the rights of the City, the Authority or Topgolf to the Facility or the payment of Lease Payments and Additional Payments hereunder. The City shall reimburse the Authority and the Trustee for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall promptly notify the Authority and Topgolf of any mortgage, pledge, lien, charge, encumbrance or claim on the Facility.

Section 7.7 Authority's Disclaimer of Warranties. THE AUTHORITY MAKES 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 CITY OF THE FACILITY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITY OR OF ANY PORTION THEREOF, AND IS NOT A DEALER THEREIN, AND THAT THE CITY IS LEASING THE FACILITY AS IS. In no event shall the Authority be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Facility Lease, the Assignment Agreement or the Indenture for the existence, furnishing, functioning or City's or Topgolf's use and possession of the Facility.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1 Assignment by the Authority. Except as permitted in the Assignment Agreement and the Indenture, the Authority will not assign this Facility Lease, or any right, title or interest of the Authority in and to this Facility Lease, to any other person, firm or corporation unless the Authority first (i) provides to the City and the Trustee an opinion of Bond Counsel stating that such assignment does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds and (ii) obtains the prior written consent of the City.

Section 8.2 Assignment and Subleasing by the City.

(a) Assignment. This Lease may not be assigned by the City unless the City first provides to the Authority and the Trustee an opinion of Bond Counsel stating that such assignment does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds. In the event that this Facility Lease is assigned by the City, the obligation to make Lease Payments and Additional Payments and perform the other covenants of the City hereunder shall remain the obligation of the City.

(b) Sublease. The Authority consents to the subleasing of the Facility by the City to Topgolf pursuant to the Sublease. The City hereby expressly covenants to enforce the City's rights, and Topgolf's obligations, under the Sublease.

Section 8.3 Amendments and Modifications. This Facility Lease may be amended or any of its terms modified in accordance with Article IX of the Indenture, with the written consent of the Trustee, the City and the Authority.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

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

(a) Payment Default. Failure by the City to pay any Lease Payment or Additional Payments required to be paid hereunder on the date such payments are due hereunder.

(b) Covenant Default. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto, other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority, the Trustee or, subject to the provisions of Section 7.01 of the Indenture, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding; provided, however, if the failure stated in the notice can be corrected but not within the 30 days, then no event of default shall have occurred so long as corrective action is promptly instituted by the City within the 30-day period and the default is corrected within 60 days.

(c) Bankruptcy or Insolvency. The filing by the City of a case in bankruptcy, or the subjection of any right or interest of the City under this Facility Lease to any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar state or federal act.

Section 9.2 Remedies on Default. Whenever any event of default referred to in Section 9.1 hereof shall have happened and be continuing, the Authority may, subject to Section 9.7 hereof, exercise any and all remedies available pursuant to law or granted pursuant to this Facility Lease; provided, however, that notwithstanding anything herein or in the Indenture to the contrary, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE LEASE PAYMENTS OR OTHERWISE DECLARE ANY LEASE PAYMENTS NOT THEN DUE OR PAST DUE TO BE IMMEDIATELY DUE AND PAYABLE NOR SHALL THE AUTHORITY OR ITS ASSIGNEE HAVE ANY RIGHT TO REENTER THE FACILITY OR RELET THE FACILITY. THE AUTHORITY'S SOLE REMEDIES ARE DESCRIBED IN THIS SECTION 9.2.

So long as any event of default exists hereunder, the Authority and its assignee have the right to pursue the remedy of specific performance to require the City to perform City's obligations and

comply with the covenants under this Facility Lease. Without limiting the foregoing, the Authority and its assignee shall also have the right to require the City to enforce the City's rights and Topgolf's obligations under the Sublease or to directly enforce the City's rights and Topgolf's obligations under the Sublease on behalf of the City. The City hereby irrevocably appoints the Authority and its assignee as the agent and attorney-in-fact of the City to enforce the Sublease. The City hereby exempts and agrees to save harmless the Authority and its assignee from any costs, loss or damage whatsoever arising or occasioned by any exercise of the rights and remedies of the Authority under this Section 9.2. The City hereby waives any and all claims for damages caused, or which may be caused, by the Authority or its assignee exercising its rights and remedies under this Section 9.2 other than damages caused by the negligence of the Authority, or its assignee.

In the event of a default, the City further agrees to reimburse the Authority, and its assignee, for any cost or expense, including attorneys' fees, incurred by the Authority or its assignee in connection with the exercise by the Authority and its assignee of the remedies hereunder.

Section 9.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Authority and its assignee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facility 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 and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority and its assignee 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 Limitation on Remedies. Notwithstanding anything to the contrary herein or in the Indenture, the exercise of any remedy herein or therein shall in no event disturb the tenancy or occupancy of the Facility by Topgolf pursuant to the Sublease, except to the extent set forth in the Sublease.

Section 9.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Facility 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 Following Default. The Trustee is required to deposit all amounts received by the Authority under this Article in the Debt Service Fund for application in accordance with Section 5.02 of the Indenture.

Section 9.7 Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article IX are being assigned by the Authority to the Trustee under the Assignment Agreement, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee, on behalf of the Bond Owners as provided in Article VII of the Indenture, subject to Section 9.4 hereof.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS

Section 10.1 Security Deposit. Notwithstanding any other provision of this Facility Lease, the City may, on any date, secure the payment of any unpaid Lease Payment attributable to the Facility as set forth in Exhibit B hereto by an irrevocable deposit by it with the Trustee of cash and/or Permitted Investments of the type permitted for the defeasance of Bonds pursuant to Article X of the Indenture.

In the event that the City has secured the payment of all unpaid Lease Payments attributable to the Facility in a manner which causes the defeasance of all of the Bonds for purposes of Article X of the Indenture, and provided that the City has made arrangements acceptable to the Trustee to pay any Additional Payments due hereunder, all obligations of the City under this Facility Lease, and all security provided by this Facility Lease for said obligations, shall cease and terminate. In the event that the City has secured the payment of unpaid Lease Payments, in part, in a manner which causes the defeasance of a portion of the Bonds for purposes of Article X of the Indenture, then the schedule of Lease Payments in Exhibit B shall be revised to reflect the payment schedule for the Lease Payments not prepaid, and the City shall deliver to the Trustee a report of an independent certified public accountant to the effect that the revised schedule of Lease Payments is adequate to pay the principal and interest, when due, on the Bonds that remain outstanding under the Indenture which are to be paid by the remaining Lease Payments.

Section 10.2 Extraordinary Prepayment From Net Proceeds. The City shall be obligated to prepay the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds transferred to the Redemption Account pursuant to Section 5.03 of the Indenture. The City and the Authority hereby agree that such proceeds shall be credited towards the City's obligation to make Lease Payments hereunder such that approximately equal annual Lease Payments will prevail with respect to the Facility following such prepayment. Following such a prepayment, in part, unless this Facility Lease terminates in accordance with Section 6.1(c), the schedule of Lease Payments in Exhibit B shall be revised to reflect the payment schedule for the Lease Payments not prepaid, and the City shall deliver to the Trustee a report of an independent certified public accountant to the effect that the revised schedule of Lease Payments is adequate to pay the principal and interest, when due, on the Bonds that remain outstanding under the Indenture which are to be paid by the remaining Lease Payments.

Section 10.3 Optional Prepayment. Subject to the terms and conditions of this Section 10.3, the Authority hereby grants an option to the City to prepay, in whole or in part, the principal components of the Lease Payments set forth in Exhibit B hereto for the purpose of redeeming a principal amount of Bonds on the dates and at the prepayment prices provided in Section 4.01(b) of the Indenture. If the portion of the Lease Payments attributable to principal on the Bonds is prepaid in part, then the Bonds selected for redemption shall be Bonds maturing on the same dates and in the same principal amounts as the portions of the Lease Payments prepaid. The City shall execute said option by giving written notice to the Trustee thereof at least 20 days (or such shorter period as approved by the Trustee) prior to the date of redemption of Bonds from such prepayment. The City may rescind any notice of its intention to prepay Lease Payments by delivery of written notice to the Trustee prior to the date set forth for such optional prepayment. Following a prepayment, in part, the schedule of Lease Payments in Exhibit B shall be revised to reflect the payment schedule for the Lease Payments not prepaid, and the City shall deliver to the Trustee a

report of an independent certified public accountant to the effect that the revised schedule of Lease Payments is adequate to pay the principal and interest, when due, on the Bonds that remain outstanding under the Indenture which are to be paid by the remaining Lease Payments.

Section 10.4 Credit for Amounts on Deposit. In the event of prepayment of the Lease Payments in full under this Article X and the payment of all due and payable Additional Payments, such that the Indenture shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Reserve Fund and the Debt Service Fund held under the Indenture shall be credited toward the amounts then required to be so prepaid.

Section 10.5 Effect of Prepayment.

(a) In Whole. In the event that the City secures the prepayment of or prepays all remaining Lease Payments pursuant to this Article X and has paid all Additional Payments due hereunder, the City's obligations under this Facility Lease shall thereupon cease and terminate.

(b) In Part. In the event the City secures the prepayment of or prepays less than all of the remaining Lease Payments pursuant to this Article X, the amount of such prepayment shall be applied to reduce the remaining Lease Payments as set forth in Section 10.1, 10.2 or 10.3, as applicable.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications required hereunder to be given to the Authority and City shall be in writing and shall be sufficiently given and shall be deemed given when delivered to the parties listed below or mailed by first class mail, postage prepaid, return receipt requested, on the third day after deposit in the U.S. Mail, to the parties listed below:

To the Authority:	Montebello Public Financing Authority c/o City of Montebello 1600 W. Beverly Blvd. Montebello, California 90640 Attention: City Manager
To the City:	City of Montebello 1600 W. Beverly Blvd. Montebello, California 90640 Attention: City Manager
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Attention: Corporate Trust Department

Notices to the Trustee shall be given initially either telephonically or by written telecommunication or electronic mail and shall then be confirmed in writing delivered by first class mail, postage

prepaid. The Authority, the City and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their successors and assigns.

Section 11.3 Severability. In the event any provision of this Facility Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original but all together shall constitute but one and the same instrument.

Section 11.5 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.6 Captions. The captions or headings in this Facility Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Facility Lease.

Section 11.7 No Merger. If both the Authority's and the City's estate under this or any other lease relating to the Facility or any portion thereof shall at any time by any reason become vested in one owner, this Facility Lease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the City so elects as evidenced by recording a written declaration so stating, and, unless and until the City so elects, the City shall continue to have and enjoy all of its rights and privileges as to the separate estates.

Section 11.8 Third-Party Beneficiary. To the extent that this Facility Lease confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of this Facility Lease, the Trustee is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

IN WITNESS WHEREOF, the authorized representatives of the Authority and the City have caused this Facility Lease to be executed, as of the date first above written.

MONTEBELLO PUBLIC FINANCING AUTHORITY,
a California joint exercise of powers authority

By: _____
Its: Executive Director

ATTEST:

_____
Secretary

CITY OF MONTEBELLO,
a California municipal corporation

By: _____
Its: City Manager

ATTEST:

_____
City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing to the City of Montebello, a body corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City, pursuant to authority conferred by resolution of said City Council adopted on [September 28], 2022, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2022

CITY OF MONTEBELLO

By: _____
Its: City Manager

EXHIBIT A

DESCRIPTION OF THE SITE

EXHIBIT B

SCHEDULE OF LEASE PAYMENTS

Date	*Principal*	*Interest*	*Semi-Annual Lease Payment*	*Annual Lease Payment*

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 _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

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

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

WITNESS my hand and official seal.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

SUBLEASE

BETWEEN

CITY OF MONTEBELLO,
A CALIFORNIA GENERAL LAW CITY
AS LANDLORD

AND

TOPGOLF USA MB, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,
AS TENANT

FOR THE LEASE OF

CERTAIN REAL PROPERTY IN Montebello, California

TABLE OF CONTENTS

[Table of Contents must be reconciled to pagination of final Sublease]

Page

ARTICLE 1. ATTACHMENTS TO LEASE; EXHIBITS....1

ARTICLE 2. DEFINITIONS....1

2.1 Definitions....1

ARTICLE 3. DEMISE OF PREMISES....6

ARTICLE 3. DEMISE OF PREMISES....6

3.1 Demise of Premises....6
3.1 Demise of Premises....6
3.2 Landlord's Representations....6
3.2 Landlord's Title....6
3.3 Tenant's Representations....7
3.4 Performance of Conditions Precedent....7
3.4 Performance of Conditions Precedent....7
3.5 Quiet Enjoyment....8
3.5 Quiet Enjoyment....8
3.6 Further Assurances and Corrective Instruments....9

ARTICLE 4. TERM....9

4.1 Term....9
4.2 Options to Extend Sublease, Conversion to Lease....9
4.3 Continued Possession of Tenant....10
4.4 Certain Landlord Rights on Termination for Reletting....10

ARTICLE 5. CONSTRUCTION OF THE PROJECT....10

5.1 General....10
5.2 General Responsibilities of the Parties....10
5.3 The Project....11
5.4 Payment of Project Costs....11
5.4 Payment of Project Costs....11
5.5 Administration of Project Fund....11
5.6 Changes to Plans and Specifications....12
5.7 Approval of Subcontractors....12
5.8 Compliance with Laws....12
5.9 Applicability of Landlord Requirements....12
5.10 Prevailing Wage....12
5.11 Tenant Attendance at City Meetings....12
5.12 Tenant Right to Inspection; Access to Leased Premises....13
5.13 Certificate of Occupancy as Evidence of Construction Completion....13

5.14 Location and Type of Tenant's Signs 14
5.15 Financial Assistance to Tenant 15
5.16 Landlord's Cisclaimer of Warranties 15

ARTICLE 6. RENT 15

6.1 Payment of Rent 15
6.2 Annual Fixed Rent 15
~~6.3~~
6.3 Abatement of Improvement Rent 18
6.4 Rate on Overdue Payments 18
6.5 No Withholding 18
6.6 Change in Ownership 18

ARTICLE 7. EXPENSES 19

7.1 Intentionally Omitted 19
7.2 Common Facilities Expenses 19
7.3 Real Estate Taxes 19
7.4 Tenant's Operating Costs; Utility Payments 20

ARTICLE 8. USE OF PREMISES 20

8.1 Use 20
8.2 Management and Operation of the Project 20
8.3 Landlord Assistance 21
8.4 Tenant's Right to Control Operations 21
8.5 Exclusive Right to Operate 21
8.6 Landlords Maintenance of Development 21

ARTICLE 9. SUBLETTING AND ASSIGNING 22

9.1 Permitted Assignments and Subleases 22
9.2 Tenant's Continued Liability 22
9.3 Release of Tenant and Guarantor 23
9.4 Rights of Certain Subtenants 23
9.5 Transfer by Landlord 23

ARTICLE 10. IMPROVEMENTS, FIXTURES AND TENANT'S PROPERTY 23

10.1 Improvements 23
10.2 Option to Prepay Improvement Rent 24
10.3 Fixtures 24
10.4 Tenant's Intellectual Property 24
10.5 Landlord Waiver 24
10.6 Obligations Upon Expiration After Initial Fixed Term 24

ARTICLE 11. GOVERNMENTAL COMPLIANCE 25

11.1 Tenant Responsibilities Generally 25
11.2 Parties; Environmental Knowledge 25

11.3 Pre-Existing Environmental Conditions 25
11.4 Landlord's Environmental Responsibilities During the Term of this Lease 25
11.5 Tenant's Environmental Responsibilities 25
11.6 Environmental Indemnities 26

ARTICLE 12. MAINTENANCE AND REPAIRS 26

12.1 Payment for Maintenance and Repairs 26
12.2 Demolition 26

ARTICLE 13. ALTERATIONS AND TENANT'S LIENS 27

13.1 Alterations 27
13.2 No Mechanics Liens 27
13.3 Limitation on Liens During Initial Fixed Term 27

ARTICLE 14. DAMAGE CLAUSE 28

14.1 Damage 28
14.2 Right to Terminate on Certain Damage 28
14.3 Bond Terms; Site Lease and Facility Lease to Control 29

ARTICLE 15. CONDEMNATION 29

15.1 Taking During Initial Fixed Term 29
15.2 Taking During Any Option Period(s) 29
15.3 No Taking by Landlord Action 30

ARTICLE 16. INSURANCE, INDEMNITY, WAIVER OF SUBROGATION AND FIRE PROTECTION 30

16.1 Tenant Indemnity 30
16.2 Tenant Insurance 30
16.3 Payment of Insurance Proceeds 34
16.4 Cooperation 34
16.5 Liability Insurance; Landlord Gross Negligence 34
16.6 Waiver of Subrogation 34

ARTICLE 17. LEASEHOLD MORTGAGES 35

17.1 Rights to Mortgage Lease 35
17.2 Requirements 35

ARTICLE 18. TENANT COVENANTS AGAINST DISCRIMINATION 36

18.1 Obligation to Refrain from Discrimination 36
18.2 Form of Non-Discrimination and Non-Segregation Clauses 37

ARTICLE 19. ESTOPPEL; ATTORNMENT AND SUBORDINATION 39

19.1 Estoppel Certificate 39

19.2 Attornment by Tenant 39
19.3 Subordination/Non-Disturbance 39

ARTICLE 20. DEFAULT AND REMEDIES 39

20.1 Tenant Default; Cure Rights; Landlord's Remedies 39
20.2 Landlord Default; Cure Rights 40

ARTICLE 21. MISCELLANEOUS 41

21.1 Lease Not to be Recorded 41
21.2 Notices 41
21.3 Waiver of Performance and Disputes 42
21.4 Modification of Lease 42
21.5 Lease Binding on Successors and Assigns, etc. 42
21.6 Brokers 42
21.7 Governing Law 42
21.8 Estoppel 42
21.9 Severability 43
21.10 Landlord and Tenant 43
21.11 Authority 43
21.12 Time is of the Essence 43
21.13 Consent 43
21.14 Attorneys' Fees 43
21.15 Entire Agreement 43
21.16 Counterparts 43
21.17 Rules of Construction 44
21.18 Prohibited Persons 44
21.19 Ongoing Access and Inspection Rights 44
21.20 Unavoidable Delay 44
21.21 Guaranty 45
21.22 No Publicity; Confidentiality 45
21.23 Waiver of Trial By Jury 46
21.24 Public Benefit 46
21.25 Defense of Actions 46
21.26 Processing 47
21.27 Other Governmental Permits 47
21.28 Full Disclosure 47
21.29 Required Actions of Parties: Further Assurances 47
21.30 Conflict of Interest 47
21.31 Non-liability of Landlord, Officers, Employees 47
21.32 Constructive Notice and Acceptance 48
21.33 No Third-Party Beneficiaries 48
21.34 Incorporation of Exhibits 48
21.35 Survival 48

SUBLEASE

THIS SUBLEASE (the "***Lease***"), dated as of September ____, 2022 (the "***Effective Date***"), is made by and between CITY OF MONTEBELLO, a California general law city ("***Landlord***"), and TOPGOLF USA MB, LLC, a Delaware limited liability company ("***Tenant***"), and supersedes that certain Sublessee Development and Participation Agreement ("***Development Agreement***") by and between Landlord and Tenant dated as of March 24, 2021. At times herein Landlord and Tenant are referred to individually as a "***Party***" and jointly as the "Parties."

Article 1.
ATTACHMENTS TO LEASE; EXHIBITS

Attached to this Lease and hereby made a part hereof are the following:

EXHIBIT A – a site plan and legal description of the tract of land constituting the "Leased Premises"

EXHIBIT A-1 – Plans and Specifications

EXHIBIT B – Site plan and legal description of the tract of land constituting the "Development"

EXHIBIT C – Construction Budget for the Project approved by the Parties

EXHIBIT D – Material Terms of Development Declaration

EXHIBIT E – Common Facilities

EXHIBIT F – Memorandum of Lease

EXHIBIT G – Memorandum of Term Commencement

EXHIBIT H – Guaranty

EXHIBIT I – Tenant's Property

EXHIBIT J – Scope of Work

EXHIBIT K - Construction Schedule

EXHIBIT L – Base Rent Payment Schedule

EXHIBIT M – Improvement Rent Payment Schedule

Article 2.
DEFINITIONS

2.1 Definitions.

(a) For purposes of this Lease, the following terms shall have the meanings provided in the Section noted opposite such terms:

Defined Term	Section Reference
Annual Fixed Rent	6.2
Bonds	3.4(f)
Bond Leases	3.4(g)
Certificate of Occupancy	16.2
CEQA	3.4(c)
City Requirements	5.9
Commencement Date	4.1
Confidential Information	21.22
Construction Term	4.1
Effective Date	Preamble
Facility Lease	3.4(g)
Indemnified Party	11.6
Indemnifying Party	11.6
Indenture	3.4(h)
Initial Fixed Term	4.1
Intended Use	8.1
Landlord	Preamble
Landlord Indemnified Parties	16.2
Lease	Preamble
Leasehold Mortgage	17.1
Leasehold Mortgagee	17.1
Licensee	3.4(d)
License Agreement	3.4(d)
M&D Account	7.1
MND	3.4(c)
Notices	21.2
Option Periods	4.2
Permitted Transferee	9.1
Personal Covenant	17.2(f)
Pre-existing Environmental Conditions	11.3
Prime Contractor	3.4(j)
Prohibited Persons	21.18
Project Bids	5.7
Project Costs	5.4
Project Fund	5.4(h)
Public Disclosure Laws	21.22
Site Lease	3.4(g)
SNDA	19.3
Sub-contractors	5.7
Tenant	Preamble
Tenant’s IP	10.3
Tenant’s Standards	5.2(b)
Tenant’s Parent	9.1(c)
Tenant’s Property	10.2
Unavoidable Delay	21.20

Used 11.4

(b) For purposes of this Lease, the following terms shall have the meanings specified below:

"***Additional Insureds***" means Landlord and any Landlord's agencies as their interests appear.

"***Affiliate***" means as applied to a person or entity, any other person or entity that is directly and wholly controlled by, or under common control with, that person or entity.

"***Authority***" means the Montebello Public Financing Authority, a California joint powers authority duly and lawfully created and operating pursuant to California law.

"***Business Day***" shall mean a calendar days other than a Saturday, Sunday, and day on which banking institutions in the City of New York, New York are authorized by law to close.

"***City***" means the City of Montebello.

"***City Council***" means the City Council of the City of Montebello.

"***Claims***" means all claims, actions, suits, judgments, decrees, orders, liabilities, costs and expenses (including reasonable attorneys' fees).

"***Common Facilities***" includes, to the extent applicable, all parking areas, streets, driveways, curb cuts, access facilities, aisles, sidewalks, landscaped areas, sanitary and storm sewer lines, storm water detention facilities, water, gas, electric, telephone and other utility lines, systems, conduits and facilities and other common and service areas within the Development and serving or benefiting the Leased Premises but located outside of the Leased Premises, as such Common Facilities are more specifically described in Exhibit E.

"***Common Facilities Expense***" means to the extent covered by or levied under the Development Declaration, all expenses, fees, assessments and costs in connection with operating, maintaining, repairing, insuring, lighting, protecting and securing the Common Facilities.

"***Conditional Use Permit***" means the conditional use permit approved by Resolution No. 06-22 of the Planning Commission pursuant to Chapter 17.70 of the Montebello Municipal Code, allowing Tenant to engage in alcohol sales, construction and operation of a driving range, and the Planned Sign Program on the Premises.

"***Construction Budget***" means the detailed and comprehensive construction budget and schedule for the Project described in the Plans and Specifications as set forth in the Construction Budget attached hereto as Exhibit C.

"***Construction Schedule***" means the detailed and comprehensive schedule for the Project attached hereto as Exhibit "K".

"***Default Rate***" means the lesser of (i) the per annum interest rate from time to time publicly announced by Citibank, N.A., New York, New York as its base rate (i.e., its Prime Rate) plus four percent (4%) or (ii) the highest rate of interest that may lawfully be charged to the party then

required to pay interest under this Lease at the Default Rate. If Citibank, N.A. should cease to publicly announce its base rate, the Prime Rate hereunder shall be the prime, base or reference rate of the largest bank (based on assets) in the United States which announces such rate.]

"***Development***" means the larger tract of land described on Exhibit B where the Project will be located, together with any buildings, Common Facilities and other improvements thereon, as the Development is constituted from time to time.

"Development Declaration" means a declaration with regard to the Development negotiated by Landlord and Tenant, which shall include those items identified on Exhibit D attached hereto.

"Environmental Law" means any applicable Laws relating to the environment, human health, or natural resources, regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Substance, or requiring notification or disclosure of releases of Hazardous Substance or of the existence of any environmental conditions on or at the Leased Premises.

"***Fiscal Tax Year***" means the twelve (12) month period commencing July 1 and ending June 30 of each calendar year, as established as the real estate tax year by the taxing authority having jurisdiction over the Development.

"***Governmental Authorities***" means all federal, state, county, municipal and local departments, commissions, boards, bureaus, agencies and offices thereof, having or claiming jurisdiction over all or any part of the Development (if applicable) or the Project or the use thereof.

"***Government Requirements***" means any and all applicable federal, state, or local laws or regulations of a governmental agency applicable to this Lease, the Leased Premises, or the Project, and any and all necessary permits, approvals, or authorizations necessary to develop and operate the Leased Premises with the Project as contemplated in this Lease, including without limitation the City Requirements.

"***Hazardous Substances***" means all materials and substances (including petroleum-based substances) that are defined as a "hazardous waste," "hazardous chemical," "toxic substance," "hazardous material," "hazardous substance," or any term of similar meaning under any Law.

"***Improvements***" means the Project and any other buildings, structures, parking facilities, or other improvements from time to time constructed on the Leased Premises.

"***Laws***" means all present and future requirements, administrative and judicial orders, laws, statutes, ordinances, rules and regulations of any Governmental Authority.

"***Lease Year***" means a period of twelve (12) full calendar months. The first Lease Year shall begin on the first day of the calendar month following the Commencement Date, unless the Term commences on the first day of a calendar month, in which case the first Lease Year shall begin on the Commencement Date. Each succeeding Lease Year shall commence on the anniversary of the first Lease Year.

"***Leased Premises***" or "***Premises****"* means the land described on Exhibit A attached hereto, and all appurtenances, rights, easements and privileges thereunto belonging or in any way

appertaining, and all other rights, easements and privileges granted to Tenant in this Lease, excluding, however, all other items of Tenant's Property and Tenant's IP, as defined in Article 10 below. The Project shall be owned by the Authority during the Initial Fixed Term and is included in the Leased Premises during the Initial Fixed Term, but upon expiration of the Initial Fixed Term and subject to full repayment of the Bonds, the Project shall be excluded from the Leased Premises as described further in Section 10.1(a) hereof.

"***Mortgage***" means any mortgage or deed of trust or other instrument in the nature thereof evidencing a security interest in the Leased Premises or any part thereof.

"***Planning Commission***" means the Planning Commission of the City of Montebello.

"***Planning Approvals***" means Landlord's approval of a Conditional Use Permit and Planned Sign Program for the Project.

"***Planned Sign Program***" means and refers to the planned sign program approved by Resolution No. 06-22 of the Planning Commission pursuant to under Section 17.62.140 of the Montebello Municipal Code to permit permanent signage as part of the Project.

"***Plans and Specifications***" means plans and specifications for the Project included in Exhibit A-1, which are approved by the Parties by way of this Lease.

"***Project***" means and refers to a Topgolf-branded commercial driving range, full-service restaurant, clubhouse, event space, and associated golf amenities to be located on the Leased Premises and operated and managed by Tenant as "TopGolf Montebello," as specifically described in the Plans and Specifications and to include, among other things: a three(3)-story driving range complex / structure with approximately 102 hitting bays; restaurant and entertainment amenities; outdoor seating / patio areas; a parking lot; and the Common Facilities, including a driveway that provides access the Leased Premises from Via San Clemente. The Project shall be of at least equal quality and of substantially similar scale, architecture, stylings, interiors, quality, technology, and nature to all three (3)-story properties in the "Topgolf" portfolio.

"Project Agreements" means this Lease and any other agreements entered into by agreement of the Parties with Landlord, with contractors in connection with the Project, or with the Authority.

"***Project Approvals***" means the Planning Approvals, the Plans and Specifications, the Construction Budget, the Construction Schedule, this Lease, the Bond Leases, the Bonds, the Indenture, the Project Bids, and the Project Contracts.

"***Project Contracts***" means contracts entered into between the Landlord and the Prime Contractor and any contracts between the Prime Contractor and any Sub-contractors for construction of the Project.

"***Rent***" means Annual Fixed Rent and any other charges, expenses or amounts payable by Tenant under this Lease as described further in Article 6.

"***Taxes***" means all ad valorem taxes, possessory interest taxes, assessments, and governmental charges, general or special, which are levied on or charged against the Leased Premises, the Project, Tenant's Property, personal property or rents, or on the right or privilege of

leasing real estate or collecting rents thereon, and any tax assessment or governmental charge imposed in lieu of any such tax, assessment or governmental charge, including without limitation all special assessments, impact fees, development fees, traffic generation fees, parking fees in respect of any Fiscal Tax Year, excluding, however, any income, franchise, corporate, capital levy, capital stock, excess profits, transfer, revenue, estate, inheritance, gift, devolution or succession tax payable by Landlord or any other tax, assessment, charge or levy upon the Rent payable hereunder by Tenant, except to the extent any such tax, assessment, charge or levy is imposed in substitution for any ad valorem tax or assessment.

"***Taxes Applicable to Leased Premises***" means all Taxes levied against the land and improvements within the Leased Premises or on the business or use operated on the Leased Premises during any Fiscal Tax Year, or created or levied against the interest created by this Lease, Tenant's Property, Tenant's operation and use of the Premises, or profits or income generated by a business or use operated on the Premises, including but not limited to sales or use taxes or any taxable possessory interest taxes resulting from Tenant's interest in the Leased Premises.

"Tenant's Pro Rata Share" means a fraction, the numerator of which is the total square footage of building improvements within the Leased Premises, and the denominator of which is the total square footage of building improvements within the land area subject to the Development Declaration.

"***Term***" and "***Term of this Lease***" means the Initial Fixed Term and any renewal or extension thereof as described in Article 4.

Article 3.

DEMISE OF PREMISES

3.1 **Demise of Premises**. Landlord hereby demises and leases the Leased Premises unto Tenant, and Tenant hereby leases the same from Landlord, for the consideration and upon the terms and conditions set forth in this Lease.

3.2 **Landlord's Representations**. As a material inducement to Tenant entering into this Lease, Landlord represents and warrants to Tenant that: (1) Landlord is a California municipal corporation, duly formed and operating under the laws of the State of California; (2) Landlord has full right and lawful authority to enter into and perform Landlord's obligations under this Lease; (3) the person(s) executing this Lease and any related instruments for or on behalf of the Landlord have been authorized to act on behalf of the Landlord, and this Lease is valid and enforceable against Landlord in accordance with its terms and each instrument to be executed by Landlord pursuant hereto or in connection therewith shall be, when executed, valid and enforceable against Landlord in accordance with its terms; (4) Landlord has good and marketable fee simple title to the Leased Premises subject only to the Bond Leases and any other matters of record existing on title as of the Commencement Date; and (5) except for the Bond Leases and any other matters of record existing on title as of the Commencement Date, Tenant's rights under this Lease shall not be subject or subordinate to any Mortgage except for such subordination as may be accomplished in accordance with the provisions of Article 21. If Landlord becomes aware of any act or circumstance that would change or render incorrect, in whole or in part, any representation or warranty made by Landlord in this section, whether as of the date given or any time thereafter,

whether or not such representation or warranty was based upon Landlord's knowledge and/or belief as of a certain date, Landlord will give immediate written notice of such changed fact or circumstance to Tenant.

3.3 Tenant's Representations. As a material inducement to Landlord entering into this Lease, Tenant represents and warrants to Landlord that: (1) Tenant is a Delaware limited liability company, lawfully entitled to do business in the State of California and the City of Montebello, California; (2) Tenant has full right and lawful authority to enter into and perform Tenant's obligations under this Lease; and (3) the person(s) executing this Lease and any related instruments for or on behalf of the Tenant have been authorized to act on behalf of the Tenant, and this Lease is valid and enforceable against Tenant in accordance with its terms and each instrument to be executed by Tenant pursuant hereto or in connection therewith shall be, when executed, valid and enforceable against Landlord in accordance with its terms; and (4) as of the Effective Date, Tenant and/or its affiliates operate more than seventy (70) branded sports / entertainment venues and have an operating history of over fifteen (15) years.

3.4 Performance of Conditions Precedent. In furtherance of and as conditions precedent to this Lease, the Parties have taken various actions that, as of or contemporaneously with the Effective Date of this Lease, the Parties acknowledge have been duly performed to each Party's satisfaction:

(a) The Planning Commission has reviewed and made a determination that this Lease is consistent with the Montebello General Plan, pursuant to Government Code § 65402;

(b) The Planning Commission has reviewed, held a duly noticed public hearing on, and approved the Planning Approvals for the Project, in accordance with the requirements for Title 17 of the Montebello Municipal Code, and all permits, requirements, or approvals of applicable Government Requirements needed to commence development, construction, and operation of the Project have been duly issued or performed, with only exception being issuance of a building permit from the City;

(c) The Landlord has analyzed the reasonably foreseeable environmental impacts of the Project pursuant to the requirements of the California Environmental Quality Act ("***CEQA***") by way of that certain "Initial Study and Mitigated Negative Declaration for the Montebello Golf Couse Driving Range Relocation Project," dated December 12, 2019 (the "***MND***"). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of Planning Commission Resolution No. 6-22in the manner required by CEQA, and the period for filing a legal challenge to the MND has now expired.

(d) Landlord has provided satisfactory evidence to Tenant of an agreement between Landlord and the licensee ("***Licensee***") under that certain License Agreement for food and beverage rights on the Property, dated August 15, 1978 (as amended from time to time, the "***License Agreement***"), pursuant to which the Licensee has agreed to release the Leased Premises from the scope of the License Agreement for the Term of this Lease, and has approved of the Leased Premises being independently developed and operated by Landlord and Tenant as contemplated herein for the Term of this Lease.

(e) By way of this Lease, both Parties hereby approve of the Construction Budget, Construction Schedule, Plans and Specifications, and Project Contracts for the Project.

(f) The Authority and Landlord have approved the issuance of lease-revenue bonds under authority of the Marks Roos Bond Law, with net proceeds (after payment of the cost of issuance) totaling $ [**TO BE DETERMINED**] which shall to be used to finance the cost of the design and construction of the Project in compliance with the Plans and Specifications (the "***Bonds***"), which Bonds have an amortization term of twenty (20) years that shall be concurrent with the Initial Fixed Term.

(g) The Authority and Landlord have approved and entered into such other agreements and instruments necessary to issue and secure debt service on the Bonds, including: (1) a "***Site Lease***" by which the Landlord has originally leased the Leased Premises to the Authority; and (2) a "***Facility Lease***" by which the Authority has leased-back the Leased Premises to the Landlord for purposes of constructing and operating the Project on the Leased Premises, which governs the Landlord's use and possession of the Project and pursuant to which the Landlord has agreed to make the "Lease Payments" as defined in the Facility Lease in amounts and at times sufficient to enable the Authority to pay scheduled principal and interest payments on the Bonds. The Site Lease and Facility Lease are jointly referred to herein as the "***Bond Leases***."

(h) The Authority has approved an "***Indenture***" with the trustee for the Bonds (the "***Trustee***"), and concurrently with issuance of the Bonds, the Authority will deposit net proceeds of the Bonds in the "Construction Fund" held by the Trustee and governed by the Indenture, with such account functioning as a construction fund from which design and construction costs will be paid on the terms and conditions specified by the Indenture (e.g. upon the receipt of qualifying invoices, certifications, and lien releases) (the "***Project Fund***").

(i) The City Council has conducted a duly noticed public hearing and satisfied the disclosure requirements associated with "economic development subsidies" required by Government Code section 52201.

(j) Landlord has approved McCarthy Building Companies, Inc. as the prime contractor for the construction and development of the Project ("***Prime Contractor***"), and has entered into a guaranteed maximum price construction contract with the Prime Contractor for the turnkey construction of the Project as described in the Plans and Specifications, and both Landlord and Tenant approve of the form and content of the Project Contracts.

(k) Tenant has completed all such investigations, reviews, inspections, due diligence, surveys, and/or other analysis or studies deemed necessary by Tenant to satisfy Tenant that the Property and Leased Premises satisfies Tenant's needs and expectations for development and operation of the Project.

3.5 Quiet Enjoyment. Landlord covenants that, if Tenant fully performs its obligations herein, Tenant shall have and enjoy, upon the Commencement Date and during the Term of this Lease, the quiet and undisturbed possession of the Leased Premises free from interference by

Landlord or any party claiming by, through or under Landlord, together with the right to non-exclusive use of the Common Facilities on the terms and conditions set forth in this Lease.

3.6 Further Assurances and Corrective Instruments. Landlord and the City shall 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 Premises hereby leased or intended to be leased or for carrying out the expressed intention of this Project.

Article 4.
TERM

4.1 Term. The term of this Lease shall commence on the Effective Date and shall remain in full force and effect for the combined duration of the "Construction Term" and "Initial Fixed Term," plus any subsequent "Option Period(s)"; each as defined in this Section. If construction of the Project has been completed such that Tenant can open the Project for business prior to the end of the Construction Term, as evidenced by a certificate of occupancy issued by the City, Tenant may commence and continue operations under this Lease for the remainder of the Construction Term.

(a) Construction Term. The Construction Term of this Lease shall commence on the Effective Date and shall expire the date that is no later than fifteen (15) months after the delivery date for the Bonds (the "*Construction Term*").

(b) Initial Fixed Term. The initial term of Tenant's occupancy of the Leased Premises under this Lease (the "*Initial Fixed Term*") shall commence upon the end of the Construction Term (the "*Commencement Date*") and shall expire twenty (20) years from the expiration of the Construction Term. Upon the Commencement Date, Tenant shall promptly execute and deliver to Landlord a Memorandum of Term Commencement in the form attached hereto as Exhibit G.

(c) The Parties acknowledge that the term of the Facility Lease will expire on the earlier of (a) the expiration date of the Initial Fixed Term, or (b) upon full payment and retiring of the Bonds. Within ninety (90) days following expiration of the Facility Lease or written request delivered to the Landlord by Tenant, whichever occurs later, Landlord shall take such steps as may be necessary (i) to cause an agreement or certificate terminating the Bond Leases to be recorded in the Official Record of Los Angeles County, California, (ii) for the Authority to issue an estoppel certificate in favor of Landlord and Tenant under the Facility Lease~~.~~, and deliver the same to Tenant, confirming the termination of the Bond Leases, (iii) for Landlord to issue an estoppel certificate in favor of Tenant under this Lease, and deliver the same to Tenant confirming the termination of the Bond Leases and the continued effectiveness of this Sublease as a lease between the Landlord, as lessor, and the Tenant, as lessee, and (iv) to secure such other agreements and documents as Tenant may reasonably request to confirm the expiration of the Bond Leases. In that event, Landlord and Tenant shall also reasonably consider amendments to this Lease as may be necessary to account for expiration of the Bond Leases and full payment and retiring of the Bonds. Included, without limitation, in the provisions of this Lease that will be considered for amendment are Sections 6.2, 10.2, 13.3, 14.1(a), 14.3, 15.1 and Article 16.

4.2 **Options to Extend Sublease; Conversion to Lease**. Provided Tenant is not in default under this Lease past any applicable notice and cure period, Tenant shall have the right to extend the Term of this Lease for thirteen (13) successive periods of five (5) years each (the "***Option Periods***") from the date upon which the Initial Fixed Term actually expires upon the terms and conditions as those herein specified, such that the total term of this Lease shall not exceed eighty-five (85) years unless a shorter aggregate term is required by law. If Tenant elects to exercise its option for any Option Period, it shall do so by giving Landlord written notice of such election at least six (6) months before the scheduled termination of the Initial Fixed Term or applicable Option Period. If Tenant gives such notice, the Term of this Lease shall be automatically extended for the relevant Option Period without execution of an extension or renewal lease. Failure to extend this Lease for any Option Period shall constitute a waiver of any subsequent Option Periods. In the event Tenant exercises its option to extend this Lease beyond the Initial Fixed Term, then upon commencement of the first Option Period and subject to termination or expiration of the Facility Lease, this Lease shall automatically replace and supersede the Bond Leases and become the primary ground lease on the Property. The Parties shall cooperate in the preparation and/or recording of such documents as may be necessary to effectuate the foregoing sentence.

4.3 **Continued Possession of Tenant**. Any holding over after the last day of any Option Period or the Initial Fixed Term hereof (if this Lease is not extended), shall be construed to be a month-to-month tenancy, on the terms herein set forth, terminable by either party on not less than sixty (60) days' notice, with the exception that Annual Fixed Rent (described below) shall be increased to one hundred ten percent (110%) of the Annual Fixed Rent that existed for the Lease Year prior to the expiration of the last effective Term. Tenant shall have sixty (60) days after such notice of termination by either party within which to remove Tenant's Property, and any of Tenant's Property not so removed may be stored or destroyed by Landlord at Tenant's expense. The provisions of this Section 4.3 shall survive the expiration or the earlier termination of this Lease.

4.4 **Certain Landlord Rights on Termination for Reletting.** If Tenant has not exercised the applicable Option Period option to extend this Lease, then Landlord or its agent shall thereafter have the right to enter the Leased Premises at all reasonable times with prior notice to Tenant for the purpose of exhibiting the Leased Premises to others and to place upon the Leased Premises during the period commencing one hundred twenty (120) days prior to the expiration of the then current Term "for sale" or "for rent" notices or signs of such number and in such locations as Tenant reasonably approves.

Article 5.

CONSTRUCTION OF THE PROJECT

5.1 **General**. Immediately upon the Effective Date of this Lease and for the duration of the Construction Term and until issuance of a final Certificate of Occupancy, whichever last occurs, the Parties shall diligently and without interruption proceed with the design, development, construction, and opening of the Project in compliance with this Article. The Landlord and Tenant anticipate that construction of the Project will be substantially completed in accordance with the Plans and Specifications.

5.2 General Responsibilities of the Parties.

(a) Landlord. Landlord's general role and responsibility during the Construction Term of this Lease include, without limitation: (1) serving as manager and administrator of the Project Fund for the payment of Project subject to and in compliance with the Indenture and Project Approvals; (2) serving as the contracting party and "owner" of the Project for purposes of the Project Contracts; (3) managing, coordinating, and advising on day to day construction activities based on regular consultation with Tenant and coordination of general contractors and sub-contractors, and serving as or contracting for professional construction manager services, the identity of such construction manager to be subject to the reasonable approval of Tenant; (4) serving as "Lessor" under the Site Lease, "Lessee" under the Facility Lease, and as "Landlord" under this Lease; (5) constructing a driveway adjacent to and south of the Project that provides access to Via San Clemente ("***Driveway***"); and (6) in its dual capacity as a local governmental agency, serving as the regulatory permitting agency with jurisdiction over the Project.

(b) Tenant. Tenant's general roles and responsibilities during the Construction Term of this Lease include, without limitation: (1) actively overseeing, participating in, consulting with Landlord and other interested or contracted parties on all aspects of the design and construction of the Project, recognizing that the Project is a branded Topgolf facility and that Tenant is the authority regarding such matters; (2) providing professional and proprietary consulting and construction management services in connection with the design and construction of the Project to ensure compliance with the Plans and Specifications and Tenant's proprietary standards and certifications that are associated with a standard Topgolf facility in the United States ("***Tenant's Standards***"); and (3) serving as "Lessee" and occupant / operator of the Leased Premises under this Lease.

5.3 The Project. The Project shall be developed and constructed by the Prime Contractor in strict compliance with the Plans and Specifications, the Project Contract, and other Project Approvals, subject to change orders approved by the Parties pursuant to Section 5.6. The Parties shall regularly communicate and cooperatively work in good faith to timely complete construction and opening of the Project in strict accordance with the Project Approvals, and each Party shall duly and regularly perform such incidental and associated actions that are reasonably necessary to complete construction and commence operating the Project as set forth herein. At regular or scheduled intervals during the Construction Term as may be requested by a Party, the Parties shall meet and exchange regular updates on the progress of construction activities.

5.4 Payment of Project Costs. Subject to the requirements and limitations of the Indenture and the maximum proceeds of the Bonds available funds in the Project Fund, any and all costs associated with the planning, design, and construction of the Project pursuant with the Plans and Specifications ("***Project Costs***") shall be paid from the Project Fund (e.g. net proceeds of the Bonds); provided that any such costs not included in total Construction Budget or that are in excess of the Project Funds shall be the sole and exclusive responsibility of and shall be paid for by Tenant. Without limiting the foregoing, but expressly subject to the payment priorities specified in the Indenture and the availability of Project Funds, and without any right to reimbursement from the Authority and City other than from available Project Funds, Tenant shall be reimbursed for planning, design, engineering, and pre-development costs incurred by Tenant in furtherance of the

Project, regardless of whether such costs were incurred or paid prior to or after the Effective Date of this Lease.

5.5 Administration of Project Fund. The terms and conditions of the Indenture and the Project Contracts shall govern the process by which funds are distributed and allocated from the Project Fund for the payment of Project Costs; provided that in addition, Tenant shall have the right to review and approve the payment of Project Costs from the Project Fund before payment is made by Landlord. In the event of a dispute between Landlord and Tenant as to whether any specific Project Cost should be paid from the Project Fund, the Parties may agree to mediate the dispute, provided that the pendency of any dispute shall not result in a delay in construction or failure to complete the Project.

5.6 Changes to Plans and Specifications. Subject to the Indenture, Bond Leases, and Project Contracts, Landlord and Tenant may, upon mutual agreement, make modifications, alternations, or deviations be made to the Plans or Specifications so long as the proposed change does not result in a material reduction in the quality of the product or Project. Any such changes shall be documented in a writing signed by the Landlord, Tenant, and Prime Contractor or applicable Sub-contractor, and comply with applicable terms, conditions, and procedures of the applicable Project Contract(s). Subject to the terms and conditions of the Indenture, added or increased Project Costs associated with modifications, alternations, or deviations from the Plans and Specifications may be paid from the Project Fund to the extent available, or at Tenant's option by Tenant. The value of any modifications, alternations, or deviations to the Plans and Specifications that reduce Project Costs may be reallocated to other Project Costs or remain in the Project Fund at the discretion or Tenant.

5.7 Approval of Subcontractors. The Prime Contractor shall solicit competitive bids ("***Project Bids***") from qualified sub-contractors and/or construction professionals for construction and development of the Project ("***Sub-contractors***") subject to applicable Laws; provided, however, that Project Bids shall not be required where Tenant reasonably determines that the scope of work of such Subcontractor is specialized or the means of performing the work is proprietary making sole source procurement permissible by the Laws. Notwithstanding any provision of this Lease to the contrary but subject to applicable Laws, Tenant may, in its sole discretion, deem a proposed Subcontractor not responsible and/or incapable of adequately performing construction work on the Project.

5.8 Compliance with Laws. All construction work performed in connection with development and construction of the Project shall comply with all the Plans and Specifications, Tenant's Standards, and applicable Government Requirements.

5.9 Applicability of Landlord Requirements. Landlord's zoning, building and land use regulations (whether contained in ordinances, Landlord's municipal code, conditions of approval, policies, practice or elsewhere) (collectively, the "***City Requirements***"), shall be applicable to the use and development of the Leased Premises . No action by Landlord with reference to this Lease or any related documents shall be deemed to constitute a waiver of any City Requirements regarding the Leased Premises, the Project, or any Improvements with respect to Tenant or any successor-in-interest to Tenant's interests.

5.10 Prevailing Wage. As required by California Labor Code Sections 1770, *et seq.*, the Parties shall ensure that the Prime Contractor and any Sub-contractors pay workers on the Project not less that the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations as applied to the given worker's trade or specialty. The Prime Contractor and any Sub-contractors performing construction work on the Project shall comply with all applicable requirements of the California Labor Code Sections 1770, *et seq.*, and the regulations promulgated by the Department of Industrial Relations.

5.11 Tenant Attendance at City Meetings. During the Construction Term, Tenant shall have one or more of its employees or consultants who are knowledgeable regarding this Lease and the Plans and Specifications in attendance at all scheduled construction meetings attended by the Landlord or as required by the Prime Contractor, such that such person(s) can meaningfully respond to the Landlord's or Prime Contractor's questions regarding the progress of the Project; and further, when requested to do so on not less than ten (10) days prior written notice by City staff, Tenant shall have one or more of its knowledgeable consultants or employees in attendance at City Council meetings.

5.12 Tenant Right to Inspection; Access to Leased Premises. During the Construction Term, Tenant and its, officers, employees, agents and representatives shall have the right of access to the Leased Premises, without the payment of charges or fees and during normal construction hours, for purposes of inspecting and ensuring compliance with the Project Approvals, Tenant's Standards, and applicable Government Requirements. Such officers, employees, agents, consultants, or representatives of Tenant shall be those persons who are designated in written by Tenant to Landlord from time to time. Any and all officers, employees, agents or representatives of Tenant shall, upon their entrance on to the Leased Premises, identify themselves at the construction management office. Tenant shall indemnify and hold Landlord harmless from injury, property damage or liability arising out of the exercise by Tenant of the right of access provided in this section, other than injury, property damage or liability arising from the gross negligence or willful misconduct of Landlord or its officers, agents or employees. Landlord acknowledges and agrees that any such inspections are for the purposes of inspecting and monitoring for compliance with the Project Approvals, Tenant's Standards, and applicable Government Requirements, and that Landlord shall not be entitled to rely on any such inspection(s) as constituting an approval, satisfaction or acceptance of any materials, workmanship, conformity of the Project with this Lease or otherwise. Tenant agrees to make its own regular inspections of the work of construction of the Project to determine that the quality of the Project and all other requirements of the work of construction of the Project are being performed in a manner satisfactory to Tenant. The Tenant also agrees to immediately notify Landlord in writing should the Tenant's inspections show any matters that will prevent the entire Project from being completed by the Project completion date set forth therefore in the Construction Schedule. Without limiting the foregoing, each Party shall permit the other Party upon reasonable notice to examine and copy all books and account records and other papers relating to the Leased Premises and the construction of the Project that are not confidential or privileged. Both Parties will use commercially reasonable efforts to cause all contractors, subcontractors and materialmen to cooperate with the other Party to enable such examination.

5.13 Certificate of Occupancy as Evidence of Construction Completion. Completion of construction of the Project shall be signified by the Landlord's issuance of a final Certificate of

Occupancy for the Project as required by the Indenture and City Requirements, and Tenant's issuance of a written certification that the Project satisfies Tenant's Standards. Upon written request from Tenant for issuance of a final Certificate of Occupancy, Landlord shall inspect the Project to determine whether or not the Project has been substantially completed in compliance with this Lease and the Plans and Specifications; and upon written request from Landlord for issuance of certification of compliance with Tenant's Standards, Tenant shall inspect the Project to determine whether or not the Project has been substantially completed in compliance with the same. If Landlord determines that the Project is complete and in compliance with the Plans and Specifications, Landlord shall furnish Tenant with a final Certificate of Occupancy for the Project; and Tenant shall issue a certification of compliance if it determines the Project is complete and complies with Tenant's Standards. If either Party determines that the Project is not in compliance with this Lease, the Plans and Specifications or Tenant's Standards, as applicable, the applicable Party shall send written notice of each non-conformity to the Prime Contractor and the other Party.

(a) The final Certificate of Occupancy and certificate of compliance, upon issuance, shall be evidence of the Parties' conclusive determination of satisfactory substantial completion of the entirety of the Project pursuant to the Project Approvals and Tenant's Standards.

(b) Neither Party shall not unreasonably withhold the issuance of their final certification of the Project being complete. After the issuance of a final certificate by both Parties, any person then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Leased Premises improved with the Project shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Lease regarding construction of the Project, except that such person shall be bound by any continuing reservations, covenants, conditions, restrictions and other matters set forth in this Lease.

(c) If either Party fails or refuses to issue a final certificate following written request from the other Party, the Party refusing Party shall, within fifteen (15) calendar days of a Party's written request, or if City, within three (3) calendar days after the next regular meeting of the City Council, whichever date occurs later, provide the other Party with a written statement setting forth the reasons for the Party's failure or refusal to issue a final certificate. The statement shall also contain the Party's opinion of the action(s) that must be taken to obtain a final certificate from that Party. If the reason for a Party's failure to complete the Project is confined to the immediate unavailability of specific items or materials for construction or landscaping at a price reasonably acceptable to Tenant or other minor building "punch-list" items, Landlord may issue its final Certificate of Occupancy upon the posting of a bond or irrevocable standby letter of credit by Tenant in a form reasonably acceptable to Landlord in an amount representing the fair value of the work on the Project remaining to be completed, as reasonably determined by Landlord.

(d) A final Certificate of Occupancy shall not be deemed to constitute a notice of completion under Section 8182 of the California Civil Code, nor shall it act to terminate the continuing covenants, restrictions or conditions contained in this Lease, Project Approvals, or any other instruments recorded against the Leased Premises pursuant to this Lease. A final Certificate of Occupancy is not evidence of the compliance of the Project with any Government Requirements.

5.14 Location and Type of Tenant's Signs. Subject to compliance with and limitations of the Government Requirements and Planning Approvals, Tenant shall have the right to erect and maintain any signs related to the Tenant or the Intended Use which Tenant may deem appropriate, in accordance with the provisions of any applicable provisions of the Laws. Without limiting the foregoing, Landlord agrees to grant Tenant the largest and most prominent panel on: (i) any existing or future tower or pylon signage along Garfield Avenue or the State Route 60 Freeway located on property owned by the Landlord and located within one (1) mile of the Leased Premises; (ii) any existing or future billboard or monument signage along Garfield Avenue or the State Route 60 Freeway within one (1) mile of the Development, and; (iii) any existing or future signage related to the Development whether such signage is located within the Development or off-site. Tenant may not display any signs or message that: (a) is inherently false, misleading, or libelous (*i.e.*, speech that is incapable of being presented in a manner that is not misleading); (b) promotes the sale or use of firearms, tobacco products, or marijuana, whether directly or indirectly; (c) promotes adult entertainment, products, conventions, events, or websites; (d) contains "obscene matter," as that term is defined in local, California or federal law, including but not limited to any statements or words of an obscene, indecent or immoral character, or any picture or illustration of any human figure in such detail as to offend public morals or decency or any other matter or thing of an obscene, indecent or immoral character; (e) contains any "political advertising," which means advertising that promotes or opposes any candidate for public office or promotes or opposes a ballot measure, referendum, bond issue, or any federal, state or local legislation, regulation, or other discretionary action; or (f) contains language that presents a clear-and-present danger of causing riot, disorder, or other imminent threat to public safety, peace, or order; that promotes any product, service or activity that is illegal under federal, state, or local law.

5.15 Financial Assistance to Tenant. The Parties agree that Landlord shall not provide any financial assistance to Tenant in connection with the Project except as is expressly set forth in this Lease. Tenant shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees and permit expenses associated with the Project not expressly delineated as a Project Cost in the Construction Budget to be paid for from the Project Fund. Tenant shall pay any and all fees pertaining to the review and approval of the Project by Landlord, any other governmental agencies and utility service providers, including the costs of preparation of all required construction, planning and other documents reasonably required by a governmental agency pertinent to the development or operation of the Project on the Leased Premises, including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications, environmental review and disclosure documents and design review documents. Tenant shall comply with any conditions of approval set forth in the Project Approvals and shall take reasonable precautions to ensure the safety and stability of surrounding properties during said construction.

5.16 Landlord's Disclaimer of Warranties. EXCEPT AS OTHERWISE SET FORTH HEREIN, THE LANDLORD MAKES 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 TENANT OF THE PROJECT OR ANY PORTION THEREOF. THE TENANT ACKNOWLEDGES THAT THE LANDLORD IS NOT A MANUFACTURER OF THE PROJECT OR OF ANY PORTION THEREOF, AND IS NOT A DEALER THEREIN, AND THAT THE TENANT IS LEASING THE PROJECT AS IS. In no

event shall the Landlord be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease for the existence, furnishing, functioning or Tenant's use and possession of the Project.

Article 6.
RENT

6.1 **Payment of Rent**. Tenant shall timely pay all Rent due under this Lease to Landlord by check or electronic transfer payable to Landlord at Landlord's address set forth herein. In the event Landlord changes its address, Tenant may continue to direct payments of Rent to Landlord's prior address until such time as Landlord notifies Tenant in writing of such change.

6.2 **Annual Fixed Rent**. During the Term of this Lease, Tenant agrees to pay the Annual Fixed Rent described in this Section as annual rent for the use and possession of the Leased Premises. During each Lease Year, Tenant pay the Annual Fixed Rent to City in two (2) equal installments that shall be due and payable in arrears and in immediately available funds on each February 1 and August 1 (the "Rent Payment Date") during the Term of this Lease. The payment due on each February 1 shall be rent for the period from the prior September 1 through the next following February 28 or 29 (as applicable), and the payment due August 1 shall be rent for the period from the prior March 1 through the next following August 31.

(a) Rent – Construction Term. From the Effective Date through the end of the Construction Term, no Rent or any other charges shall be payable.

(b) Rent - Initial Fixed Term. During the Initial Fixed Term of this Lease, the Annual Fixed Rent is intended to be both sufficient in both time and amount to pay when due the City's obligations to make Lease Payments under the Facility Lease. Annual Fixed Rent during the Initial Fixed Term shall consist of the fair market lease value of the Premises in its unimproved condition ("*Base Rent*"), plus an amount equal to the Lease Payments which the Landlord is obligated to pay to the Authority under the Facility Lease ("*Improvement Rent*"). During the Initial Fixed Term, Tenant shall make payments of Improvement Rent directly to the Trustee, on behalf of the Landlord, in accordance with the schedule attached as Exhibit M (Improvement Rent Payment Schedule), which is attached hereto and incorporated herein, and such payments of Improvement Rent by Tenant to Trustee, if timely made, shall fully satisfy Tenant's obligation to pay Improvement Rent to the Landlord hereunder. During the Initial Fixed Term and any Renewal Term(s), Tenant shall make payments of Base Rent, in accordance with the schedule attached hereto as Exhibit L (Base Rent Payment Schedule), directly to Landlord. The Base Rent and Improvement Rent during the Initial Fixed Term shall be fixed on the date of issuance of the Bonds.

(c) Rent – Option Period(s). Upon expiration of the Initial Fixed Term, and continuing for the remaining Term of this Lease, Tenant's payments of Base Rent under this Lease (for example, in the first operating year after the Initial Fixed Term), shall be established at One Million Seven Hundred Thirty-Two Thousand Dollars ($1,732,000), and such Base Rent shall be increased every five (5) years by an amount that is equal to five percent (5%) of the annual Base Rent payment made by Tenant in the year immediately preceding the increase. For example, assuming expiration of the Facility Lease, during

operating years twenty-two (22) through twenty-seven (27), Tenant's annual Base Rent payments under this Lease (to be paid in two (2) installments as specified above or otherwise agreed to by the Parties) shall be five percent (5%) more than the amount of Tenant's annual Base Rent payments in year twenty-one (21); and as a further example, during operating years twenty-eight (28) through thirty-one (31), Tenant's annual Base Rent payments under this Lease (to be paid advance in equal monthly installments) shall be five percent (5%) more than the amount of Tenant's annual Base Rent payments in operating year twenty-seven (27). The Parties agree that the Rent defined in this subsection constitutes the fair market rent for the Leased Premises in fully improved condition. In making such determinations, consideration has been given to the fair rental value of the improvements including but not limited to costs of operation, maintenance, taxes and insurance, the construction cost of the Project, the insured value thereof, the uses and purposes which may be served by the Project and the essential public benefits therefrom which will accrue to the City and the general public. During any Option Period(s), if an installment of Annual Fixed Rent is payable for a portion of a six-month period, the amount payable shall be a pro rata share of the installment of Annual Fixed Rent otherwise due. During any Option Periods, the Annual Fixed Rent shall be prorated for any partial Lease Year.

(d) Application of Excess Bond Proceeds to Reduce Rent. Notwithstanding anything to the contrary in this Lease, if the net proceeds of the Bonds that are deposited into the Project Fund exceed the total Project Costs of the Project, as determined after the City's issuance of the final Certificate of Occupancy, then amounts remaining in the Project Fund shall be applied in accordance with and as required by the Indenture. The Parties agree that, if permitted by the Indenture, such excess net proceeds shall be used to redeem or pay down the Bonds, in which case Tenant's Improvement Rent shall be adjusted to reflect the amount paid by Landlord under the Facility Lease for use and occupancy of the Project.

6.3 Credits Against Improvement Rent. The Parties recognize and agree that the Tenant's Rent payments shall not be abated for any reason during the Term of this Sublease, provided that the Tenant shall receive a dollar-for-dollar credit against Tenant's obligation to pay Improvement Rent hereunder to the extent that the Landlord's Lease Payments due to the Authority under the Facility Lease are paid from any of the following sources: (a) any liquidated damages, completion or performance bonds monies paid to the Landlord by Contractors or any other person as damages as a result of any defect or delay in completion of the Project being constructed on the Lease Premises, or (b) from the proceeds of casualty insurance, rental interruption insurance, or condemnation award. Any amounts received by the Landlord as damages under the construction contract(s) for construction of the Project shall be delivered by the Landlord to the Trustee immediately upon receipt thereof for deposit by the Trustee in a special fund created by the Indenture for this purpose.

6.4 Rate on Overdue Payments. In the event the Tenant should fail to make all or any portion of any Annual Fixed Rent required by this Section, unless excused by law or the terms and conditions set forth herein, the Annual Fixed Rent, or portion thereof unpaid, shall continue as an obligation of the Tenant until the unpaid amount shall have been fully paid, and the Tenant agrees to pay the same with interest thereon from the date such amount was originally due at the rate

equal to the original interest rate payable on the Bonds.

6.5 No Withholding. Notwithstanding any dispute between the Tenant and the Landlord, other than a dispute where Landlord's obligations to make Lease Payments under the Facility Lease have been abated, the Tenant shall make all payments of Annual Fixed Rent when due and shall not withhold any Rent pending the final resolution of such dispute.

6.6 Change in Ownership. Both Parties shall promptly notify the other Party in writing of any change in address or the ownership of their interest in the Leased Premises, giving the new address or the name and address of the new owner, as applicable, as well as instructions regarding the payment of Rent. In the event of any change in Landlord's address or a transfer of title or Landlord's leasehold interest in and to the Leased Premises, Tenant shall have the right to continue to pay Rent at the address and to the party (Landlord) to which Tenant was making such payments prior to such change in ownership until Tenant is notified of such change in address or ownership and given satisfactory proof thereof (it being hereby agreed that a letter from the prior owner notifying Tenant of such transfer and the name and address of the new owner will be satisfactory proof of such change in ownership). In cases of a transfer of title of Landlord's leasehold interest in and to the Leased Premises, or Tenant's transfer of its leasehold interest in and to the Leased Premises, such new owner or lessee shall execute and deliver an agreement whereby such new owner or lessee assumes and agrees to discharge all applicable obligations under this Lease. Landlord shall not have the right to transfer its leasehold interest in and to the Lease Premises without first complying with Section 9.5.

Article 7.
EXPENSES

7.1 Intentionally Omitted.

7.2 Common Facilities Expenses.

(a) *Common Facilities Expenses*. In addition to Tenant's obligation to pay Rent to Landlord under this Lease, Tenant agrees to timely pay during the Term Tenant's Pro Rata Share of the Common Facilities Expense attributable to the Common Facilities identified on Exhibit E attached hereto. Subject to the further provisions hereof, Tenant shall pay Tenant's Pro Rata Share of such Common Facilities Expense directly to the appropriate Party under the Development Declaration for each calendar year during the Term of this Lease, and such Common Facilities Expense shall be computed and paid in accordance with the Development Declaration. Notwithstanding anything in this Lease to the contrary, the Common Facilities Expense assessed against the Leased Premises for any calendar year beginning before the Commencement Date or ending after the date on which this Lease is terminated or expires shall be prorated between Landlord and Tenant through the Commencement Date or the date of expiration or termination, as applicable. For each calendar year in the Term thereafter, the Common Facilities Expense payable by Tenant shall not exceed Tenant's Pro Rata Share of the Common Facilities Expense actually incurred and payable by Tenant with regard to the Leased Premises for such calendar year.

(b) *Audit Rights*. Landlord hereby grants to Tenant the right to receive all statements under the Development Declaration related to the Common Facilities Expense. Tenant shall have the right to audit Landlord's books and records relating to the Common Facilities

Expense during normal business hours and upon reasonable prior notice. Landlord also hereby grants to Tenant the right to exercise directly Landlord's rights to audit the books and records relating to the Common Facilities Expense of any applicable person or entity under the Development Declaration. The provisions of this Section 7.2 shall survive the expiration or the earlier termination of this Lease.

7.3 Real Estate Taxes.

(a) *Tenant's Responsibilities*. Landlord discloses and Tenant acknowledges that Landlord's ownership interest in the Leased Premises, as well as Landlord's and the Authority's respective leasehold interests in the Leased Premises under the Site and Facility Leases, are exempt from real property taxes by virtue of Landlord's and Authority's status as a local governmental agencies. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest. Tenant further recognizes and understands that any sublease or assignment permitted under this Lease and any exercise of any option to renew or other extension of this Lease may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Tenant shall pay directly to the appropriate taxing authorities prior to their delinquency all Taxes Applicable to Leased Premises (including but not limited to possessory interest taxes), if any, falling within the Term of this Lease.

(b) *Tenant's Right to Contest Taxes*. Tenant shall have the right to contest any possessory interest taxes or other Taxes Applicable to Leased Premises by appropriate legal proceedings or in such other manner as it deems suitable, and upon Tenant's request Landlord shall reasonably cooperate in such contest, protest or proceeding. Landlord shall not, during the pendency of such legal or other proceeding or contest, pay or discharge any Taxes on the Leased Premises or any tax lien, provided Landlord may do so to stay a sale of the Leased Premises through foreclosure of a tax lien thereon. Any refund obtained by Tenant shall be paid to Tenant, except that Landlord shall be entitled to receive the proceeds of any refund to the extent Landlord has paid or discharged the tax to stay a foreclosure sale of a tax lien.

7.4 Tenant's Operating Costs; Utility Payments. Tenant shall be solely and exclusively responsible for any and all expenses, fees, assessments and costs in connection with managing, staffing, operating, maintaining, repairing, insuring, lighting, protecting and securing the Project and Leased Premises during the Term of this Lease, including but not limited to all charges for gas, electricity, water, sewer service and other utilities used in the Project and the Leased Premises during the Term of this Lease. All such utilities will be separately metered and obtained by Tenant from the applicable utility company. Tenant also shall be solely responsible for the payment of any connection, tap, hookup or other fee(s) imposed by Governmental Authorities or by any utility company to extend, connect or continue utility service to the Leased Premises.

Article 8.
USE OF PREMISES

8.1 Use. During the Initial Fixed Term, the Leased Premises may be used by Tenant solely and exclusively for the construction and operation of the Project, including all uses incidental thereto (the "***Intended Use***"), except as may otherwise be approved in the reasonable discretion of

the Landlord and subject to: (a) any conditions or limitations of the Indenture or Bond Leases and; (b) Tenant's compliance with any applicable Government Requirements and City Requirements, including but not limited to discretionary land use approvals under the Montebello Zoning Code. Notwithstanding the foregoing, during the Initial Fixed Term Tenant may use the Leased Premises for restaurant, entertainment, and sporting related uses that Tenant determines are necessary to remain relevant to its customers and competitive in its industry, and, Tenant may modify the Improvements in connection therewith; subject to any limitations in the Indenture or Facility Lease, and provided that Tenant complies with the provisions of Article 13. Following the Initial Fixed Term, the Leased Premises may be used by Tenant for any lawful use subject only to any applicable Government Requirements and City Requirements, including but not limited to discretionary land use approvals under the Montebello Zoning Code.

8.2 **Management and Operation of the Project**. Upon the Landlord's issuance of the final Certification of Occupancy for the Project, the Construction Term shall expire and Tenant shall have the rights and responsibilities with regard to the Leased Premises for the remainder of the Term as set forth in this Lease. Tenant agrees to maintain and manage the Leased Premises in an attractive and professional condition of repair to the reasonable satisfaction of Landlord, and in a manner that is at least equal to the quality, nature, professionalism, and type that is associated with the maintenance and management of a standard facility or venue operated by Tenant or its affiliates in the United States. Tenant agrees to provide reasonable evidence of its maintenance and management performance at the request of Landlord from time to time; but, no more frequently than annually. Neither Tenant nor any of Tenant's successor and assigns will enter into any sublease or allow occupancy of any property within the Leased Premises to a tenant or party who is considered to be operating a deep discount, bargain, fire sale or thrift business, or a business of a sexually oriented nature. This covenant shall run with the land for the Term of the Lease.

8.3 **Landlord Assistance**. Landlord agrees to execute, without cost to Landlord, such applications, consents and other instruments as shall be required by Governmental Authorities to permit operation of the Project for the Intended Use; provided that nothing in this section or elsewhere in this Lease shall limit or restrict Landlord's discretionary authority as a government authority in relation to the City Requirements.

8.4 **Tenant's Right to Control Operations** . Except as expressly set forth herein, nothing contained in this Lease shall be deemed in any way to regulate the manner of operation by Tenant of its business in the Project or the hours or days of such operation or give Landlord any right, express or implied, of censorship over any attractions exhibited in the Project or over the content of Tenant's (or any subtenant's) advertising. Nothing in this section is intended or shall be interpreted as a waiver of Landlord's right, as a government authority, to enact and enforce local laws, rules, regulations or other City Requirements that maybe applicable to the Leased Premises, the Project, or Tenant's use thereof. Notwithstanding the foregoing, Tenant shall at all times exercise sound business and professional judgment in operating the Project and occupying Leased Premises, and shall take such reasonable or good faith actions (or decline to take such actions) as would be expected of a similarly situated business that is engaged in a profit seeking enterprise and desiring to make reasonable and productive use of the Leased Premises.

8.5 **Exclusive Right to Operate**. For so long as Tenant operates the Project on the Leased Property, Landlord and Landlord's Affiliates shall not (i) sell or lease property within the

Development to a purchaser or tenant who intends to use such property for a primary use that is similar to the Project, or (ii) permit the operation of a venue or facility that is substantially similar to the Project within the Development. The foregoing restriction shall not apply to Leased Premises; nor apply to Landlord's approval or operation, directly or through contract, of a golf-course and golf-related activities within the Development, or to the development or operation of restaurant, entertainment, hospitality, or similar uses that are not similar to the Project. This covenant shall run with the land and may be memorialized in the recorded Memorandum of Lease.

8.6 Landlords Maintenance of Development. Landlord agrees for itself and on behalf of all of Landlord's Affiliates that it or they will maintain all properties within the Development, excluding the Leased Premises but including any development owned by Landlord or any Landlord Affiliate that is located adjacent to the Leased Premises, whether now existing or to be built, in a an attractive and professional condition of repair to the reasonable satisfaction of Tenant, and such maintenance will include mowing, irrigation of grass, upkeep of drives, lighting, signage, parking areas and general landscaping of the Development. Neither Landlord nor any of Landlord's Affiliates will enter into any lease or permit a sale of any property within the Development to a tenant or purchaser who is considered to be operating a deep discount, bargain, fire sale or thrift business, or a business of a sexually oriented nature. This covenant shall run with the land and shall be included in the recorded Memorandum of Lease and/or the Development Declaration.

Article 9.
SUBLETTING AND ASSIGNING

9.1 Permitted Assignments and Subleases. Tenant shall not transfer or sublease its interest in and to the Leased Premises or otherwise assign its rights or delegate its duties or obligations under this Lease to any assignee or sublessee, without the prior written consent of Landlord, which consent may be withheld or conditioned in the sole and absolute discretion of Landlord. Any unauthorized transfer or sublease shall be null and void. Notwithstanding the foregoing or anything herein to the contrary, Tenant may, without Landlord's prior consent but with at least sixty (60) days prior written notice to Landlord, assign, sublet, or transfer its interest in this Lease and the Leased Premises to any of the following (each, a "***Permitted Transferee***"):

(a) any business entity which may, as the result of a reorganization, merger, consolidation, or sale of assets, succeed to substantially all of the business carried on by Tenant or Tenant's Parent (as defined hereinbelow);

(b) any Affiliate of Tenant;

(c) any entity which acquires fifty percent (50%) or more of the issued and outstanding voting stock or ownership interests (or such lesser percentage as shall be sufficient to acquire voting control) of Tenant or the entity that directly controls Tenant ("***Tenant's Parent***");

(d) any entity which acquires Tenant's interest in the Leased Premises in a transaction whereby the Tenant continues to operate the Leased Premises under the same use or tradename pursuant to a sublease, management contract, operating agreement or otherwise;

(e) to any entity which (i) directly or through an Affiliate, operates a commercially meaningful number of venues or facilities similar to the Project and Intended Use operated by Tenant, and (ii) has, as a principal executive, an individual with at least five (5) years' experience operating such venue or facility and use; and

(f) to any California business entity, or any Delaware business entity that is qualified to conduct business in California, that is formed for the purpose of carrying out the Project and for which Tenant is a majority shareholder/member and the manager thereof.

9.2 Tenant's Continued Liability. In any sublease or assignment of Tenant's rights in and to the Leased Premises by Tenant, Tenant shall, subject to the provisions of Section 9.3, remain liable and responsible under this Lease, and during the Initial Fixed Term shall remain liable and responsible under the Guarantee. If Tenant assigns this Lease and remains liable hereunder, then Landlord, when giving notice to said assignee or any future assignee in respect of any default, shall also serve a copy of such notice in the manner provided herein upon the original tenant named in this Lease. Such original tenant, at its sole option, shall have the same period that such assignee as Tenant under this Lease has to cure such default.

9.3 Release of Tenant and Guarantor. Notwithstanding anything in this Lease to the contrary, provided that the Tenant is not in breach or default under this Lease and the Guarantor is not in breach or default under the Guaranty, an assigning Tenant, Guarantor, and their respective predecessors in interest shall be released from further liability under this Lease and the Guaranty if:

(a) Tenant assigns this Lease at any time after the Initial Fixed Term, and following payment in full of all Rent (including Base Rent and Improvement Rent) coming due during the Initial Fixed Term, and the assignee, by written instrument, duly executed and acknowledged and delivered to Landlord, assumes and agrees with Landlord to perform all the terms, covenants and conditions of this Lease from and after such transfer, or

(b) Tenant assigns this Lease at any time and such assignee (or the guarantor of such assignee's obligations under this Lease) has a net worth of not less than $50,000,000 as of the end of the calendar month preceding the month during which any such assignment becomes effective, as demonstrated to Landlord's reasonable satisfaction (e.g. by certified financial statements or the delivery of a 10-Q report, in the case of a public company), and such assignee delivers a replacement Guarantee in the same form as attached hereto for the remainder of the Initial Fixed Term.

Subject to a valid assignment and delivery of a substitute Guarantee, if applicable, the Landlord shall, upon written request by an assigning Tenant, execute such reasonable acknowledgements or releases in a form approved by the Landlord's legal counsel as are necessary to effectuate to this section.

9.4 Rights of Certain Subtenants. Landlord and Tenant agree that a Permitted Transferee or other permitted assignee or subtenant occupying the entire Leased Premises may exercise any right or perform any obligation of Tenant hereunder and that the same shall be deemed the exercise or

performance of Tenant under this Lease. Landlord shall give to such subtenant a copy of each Notice which it gives to Tenant pursuant to this Lease in the manner required by this Lease. Such Notice shall be sent to the addressees designated by such subtenant from time to time.

9.5 Transfer by Landlord. Before completion of construction of the Project and full payment of all draw requests in connection with such construction, Landlord shall not have the right to sell, transfer, or assign Landlord's interest in the Leased Premises and/or this Lease at any time during the Term of this Lease without Tenant's prior written consent, which consent shall be within Tenant's sole and absolute discretion. Thereafter, Landlord shall have the right to sell, transfer or assign Landlord's interest in the Leased Premises and/or this Lease without seeking Tenant's consent; provided, however that Landlord shall promptly notify Tenant of any such sale, transfer or assignment.

Article 10.
IMPROVEMENTS, FIXTURES AND TENANT'S PROPERTY

10.1 Improvements.

(a) Leasehold Interest During Initial Fixed Term. During the Initial Fixed Term of this Lease, the Authority holds a leasehold interest in the Leased Premises under the Facility Lease and is the owner of the Project, and the Landlord holds a leasehold interest in the Project which is being subleased to Tenant. During the Initial Fixed Term, title to the Property shall at all times be and remain vested in the Authority until the expiration of Initial Fixed Term. Any alterations, changes, improvements and/or additions made to the Project) during the Construction Term or Initial Fixed Term of this Lease by Tenant shall comply with Section 13.1.

(b) Leasehold Interest Transferred to the Tenant. On the day of the expiration of the Initial Fixed Term, all right, title and interest of the Landlord in the Project under the Facility Lease, and all right, title and interest of the Landlord in the Project shall terminate without the necessity of any additional document of transfer by either of the parties, and title to the Project shall pass to and be vest in Tenant.

10.2 Option to Prepay Improvement Rent. The Tenant may exercise an option to prepay all or a portion of the Improvement Rent on the same terms and conditions upon which the Landlord may prepay all or any portion of the Lease Payments under the Facility Lease, and by prepaying Improvement Rent in the amounts necessary to cause the termination of the Facility Lease, terminate the Authority's leasehold interest in the Leased Premises pursuant to the Facility Lease and the Authority's right, title and interest in the Project, as well as the Landlord's leasehold interest in the Project under the Facility Lease. Tenant's exercise of the rights in this section are subject to and conditioned upon the existence of Landlord's right to prepay Lease Payments under the Facility Lease and the Authority's right to redeem the Bonds, as well as Landlord's compliance with all terms and conditions necessary to prepay Lease Payments due under the Facility Lease and the Authority's compliance with all terms and conditions necessary to redeem the Bonds before their scheduled maturity, which Landlord shall perform or otherwise facilitate with the Authority in good faith should Tenant properly exercise the rights in this section. At a minimum and unless otherwise agreed by the Parties, Tenant shall provide at least ninety (90) days written notice of its intention to prepay Improvement Rent to City, and shall deposit the full prepayment

amount (based on a written demand from the Trustee) with the Trustee not later than forty five (45) days prior to the proposed prepayment date of the Bonds.

10.3 Fixtures. All trade fixtures and equipment, signs, appliances, furniture and other personal property of any nature identified or described in Exhibit I hereto and installed on the Leased Premises or in the Project (all of the foregoing, together with the Project and all other improvements, being collectively referred to in this Lease as "***Tenant's Property***"), shall not become a part of the real property and may be removed by Tenant from the Leased Premises at any time prior to sixty (60) days following the expiration or termination of this Lease.

10.4 Tenant's Intellectual Property. All proprietary technology and equipment as well as all trademarks, copyrighted works, patents and other intellectual property developed by and/or used by Tenant or its Affiliates in connection with the Topgolf brand and the Project ("***Tenant's IP***") shall not become a part of the real property and may be removed by Tenant from the Leased Premises at any time.

10.5 Landlord Waiver. Landlord hereby waives all liens, claims, demands or rights, including rights of levy, execution, sale and distraint for unpaid rent, or any other right, interest or lien which Landlord has or may hereafter acquire in Tenant's Property and Tenant's IP.

10.6 Obligations Upon Expiration After Initial Fixed Term. Upon expiration or termination of this Lease at time after the Initial Fixed Term, Tenant shall, at Landlord's option and direction, either: (i) demolish all or any portion of the Improvements then existing on the Leased Premises and remove promptly thereafter all debris and leave the building pad and the Leased Premises in a clean and sightly condition all at Landlord's cost, or (ii) surrender all such Improvements on the Leased Premises to Landlord in their then-existing condition, AS IS WHERE IS, subject to Tenant's compliance with the coveants and commitment that survive the expiration or termination of this Lease, and upon Landlord's request, shall deliver a quitclaim deed to Landlord therefor. Tenant shall have a period of sixty (60) days after the termination or expiration of this Lease to remove Tenant's Property and Tenant's IP, and any of Tenant's Property not so removed may be destroyed by Landlord at Tenant's expense, or at Landlord's discretion shall become the property of Landlord; provided, however, that the Parties agree that Tenant's IP is and shall always remain the sole property of Tenant and will never become the property of Landlord.

Article 11.
GOVERNMENTAL COMPLIANCE

11.1 Tenant Responsibilities Generally. Tenant shall comply with the terms of all Laws that apply to the Leased Premises and the Project located thereon and Tenant's use and occupancy thereof. If Tenant receives written notice of any violation of any Laws applicable to the Leased Premises, Tenant shall give prompt notice thereof to Landlord. Tenant may, at its expense, contest the validity or application of any governmental requirements and may seek approval from a court with jurisdiction to postpone or delay compliance therewith (in whole or in part) pending final resolution of such contest.

11.2 Parties; Environmental Knowledge. Landlord warrants and represents to Tenant that to Landlord's actual knowledge, with no duty of investigation, that: no release, leak, discharge, spill, storage, disposal or emission of Hazardous Substances has occurred in, on or under the Leased

Premises; the Leased Premises are free of Hazardous Substances as of the date hereof; there are no underground storage tanks under or adjacent to the Leased Premises; the Leased Premises are in compliance with all Environmental Laws; there has not been any notice of intent to sue, notice of violation, citation, warning or similar notification under any Environmental Law regarding the Leased Premises or arising out of operations on the Leased Premises; and there is no investigation or inquiry by any Governmental Authority concerning the Development or the operations thereon under any Environmental Law.

11.3 Pre-Existing Environmental Conditions. Tenant shall have no liability to Landlord or any other person or Governmental Authorities for any contamination, Hazardous Substances, violations of Environmental Law, or other environmental conditions that give rise to liability under any Environmental Law and first occurred prior to the Effective Date *("**Pre-Existing Environmental Conditions**")*. If any Pre-Existing Environmental Conditions are found on the Leased Premises or Common Facilities, Landlord shall promptly investigate and remediate the same in accordance with Environmental Laws and to the satisfaction of all Governmental Authorities, doing so in a manner that avoids damage to the Project and minimizes interference with Tenant's use and enjoyment of the Leased Premises to the extent reasonably possible.

11.4 Landlord's Environmental Responsibilities During the Term of this Lease. Landlord shall not cause any Hazardous Substances to be used, stored, generated or disposed of (collectively, "***Used***") on, in or under the Leased Premises by Landlord, Landlord's agents, employees or contractors, or anyone claiming by, through or under Landlord.

11.5 Tenant's Environmental Responsibilities. During the Term of this Lease, Tenant shall not cause or permit any Hazardous Substances to be Used on, in or under the Leased Premises by Tenant, Tenant's agents, employees or contractors, or anyone claiming by, through or under Tenant, except in the ordinary course of business in the operation of Tenant's business, or as reasonably required in performing the obligations of Tenant under this Lease, and then only to the extent no Laws in effect at such time are violated by Tenant with regard to such Use.

11.6 Environmental Indemnities. Each party ("***Indemnifying Party***") shall indemnify, defend and hold the other party ("***Indemnified Party***") harmless from all Claims owing to third parties or suffered by Indemnified Party, including court costs, reasonable attorneys' fees and consultants' fees, arising during or after the Term and reasonably incurred or suffered by the Indemnified Party as a result of any default or breach of any representation, warranty or covenant made by the Indemnifying Party under this Article 11. Without limiting the foregoing, Landlord shall indemnify, defend and hold Tenant harmless from all Pre-Existing Environmental Conditions, and Tenant shall indemnify Landlord for all Hazardous Substances other than pre-existing Hazardous Substances or matters arising under Section 11.4. It is a condition of this indemnification and hold harmless obligation that the Indemnifying Party must receive notice of any such claim against the Indemnified Party promptly after Indemnified Party first has knowledge thereof, but no failure by the Indemnified Party to promptly notify the Indemnifying Party of any such claim shall adversely affect the Indemnified Party's right to indemnification except (and only to the extent) that the Indemnifying Party can prove prejudice as a result of the failure to receive prompt notice. This indemnification and hold harmless obligation includes all costs reasonably incurred by the Indemnified Party after notice to Indemnifying Party arising from the Indemnifying Party's failure

to take the actions required under this Article. The provisions of this Article 11 shall survive the expiration or the earlier termination of this Lease.

Article 12.
MAINTENANCE AND REPAIRS

12.1 Payment for Maintenance and Repairs. As part of the consideration for the rental of the Leased Premises, all repair and maintenance of the Leased Premises shall be the responsibility of the Tenant, and the Tenant shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Premises resulting from ordinary wear and tear or want of care on the part of the Tenant or any sublessee thereof. Tenant shall pay all costs, expenses, fees and charges incurred in connection with the use, maintenance, and occupancy of the Leased Premises consistent with this Lease. Tenant shall keep and maintain the Project in a good and safe condition that is at least equal to Tenant's Standards applied to management at Tenant's other United States venues or facilities, and during the Initial Fixed Term Tenant shall comply with all terms, conditions, and requirements of the Bond Leases. Subject to Section 7.2 (sharing of Common Facilities Expense), Landlord shall pay or cause to be paid all costs, expenses, fees and charges incurred in connection with the use of the Development (minus the Leased Premises).

12.2 Demolition. During the Initial Fixed Term of this Lease, and except as part of a permitted alteration as described below, Tenant shall have no right to demolish the Project or other Improvements on the Leased Premises except upon the advance written notice to and approval by the Landlord during the Initial Fixed Term, which approval may be withheld in their reasonable discretion, and subject to: (a) any terms, conditions or limitations of the Bond Leases during the Initial Fixed Term, and; (b) Tenant's compliance with any applicable City Requirements, including but not limited to discretionary land use approvals and permits required by the Montebello Municipal Code. During any Option Period(s), Tenant shall have the right to demolish the Project and other Improvements on the Leased Premises upon Tenant's compliance with any applicable City Requirements, including but not limited to discretionary land use approvals and permits required by the Montebello Municipal Code.

Article 13.
ALTERATIONS AND TENANT'S LIENS

13.1 Alterations. Subject to Tenant's compliance with applicable City Requirements and Government Requirements, Tenant may, without Landlord's consent, make alterations, modifications, renovations or additions to the Project that are within the interior or exterior of the Project or that are being implemented in a substantial portion (at least 1/3) of other Topgolf facilities located in the United States. Notwithstanding the foregoing, during the Initial Fixed Term of this Lease, Tenant shall not make any such alterations, renovations, or additions that are prohibited by the Indenture or Bond Leases as determined in the reasonable discretion of the Landlord**.** Any interior or exterior alteration, renovation, or addition to the building improvements on the Leased Premises during the Initial Fixed Term that, based on an engineer's estimate, are expected to cost more than $1,000,000, shall additionally require the prior written consent and discretionary approval of Landlord, which approval may be withheld in Landlord's reasonable discretion. Notwithstanding anything to the contrary herein, Landlord pre-approves and consents to Tenant's alterations, renovations and/or additions to the Project that are substantially similar to the Scope of Work attached hereto as Exhibit J and that will be performed at regular intervals every

five (5) years, seven (7) years, or nine (9) years, including, without limitation, replacing the outfield turf, painting the netting poles, replacing the barrier netting, and updating the interior, exterior and teeline to conform with updates to other Topgolf venues. Notwithstanding anything contrary in this Lease, any alternations or modifications to the Project made by Tenant during the Initial Fixed Term shall not in any way damage any portion of the Project or cause it to be used for purposes other than those authorized under the provisions of local, state and federal law, or diminish the fair rental value of the Project; and the Project, upon completion of any additions, modifications or improvements made pursuant to this section, shall be of a value which is not less than the value of the Project immediately prior to the making of such additions, modifications or improvements. Nothing in this section or Lease is intended or shall be interpreted as limiting Landlord's authority and discretion as a government authority with reference to City Requirements.

13.2 No Mechanics Liens. Tenant shall not permit any mechanic's, materialman's or other similar lien to be foreclosed against the Leased Premises by reason of work, labor, services or materials performed by or furnished to Tenant. If any such lien shall at any time be filed, Tenant may contest the same in good faith but Tenant shall, prior to foreclosure thereof, cause such lien to be bonded or released of record. Tenant hereby covenants and agrees to indemnify and hold harmless Landlord from and against all Claims which Landlord may suffer or incur by reason of any such mechanic's, materialman's or other similar lien.

13.3 Limitation on Liens During Initial Fixed Term. During the Initial Fixed Term of this Lease, the Tenant shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims on or with respect to the Project. The Tenant 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; provided that the Tenant may contest such lien or claim if it desires to do so, so long as such contest will not adversely affect the rights of the Landlord or the Authority to the Project or the payment of Improvement Rent hereunder. The Tenant shall reimburse the Landlord and the Trustee for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The Tenant shall promptly notify the Landlord of any mortgage, pledge, lien, charge, encumbrance or claim on the Project.

Article 14.
DAMAGE CLAUSE

14.1 Damage.

(a) Casualty During Initial Term. If, during the Initial Fixed Term, the Project is damaged or destroyed by fire, casualty or any cause whatsoever, either in whole or in part, the proceeds of all insurance on the Leased Premises required by this Lease shall be paid and applied in the manner required by the Bond Leases and Indenture to replace or repair the Project to a use which will have an annual fair return rental value to that which was destroyed; provided that the proceeds of any separate insurance policies maintained by Tenant for Tenant's Property shall belong to Tenant.

(b) Casualty During Option Period(s). If, after expiration of the Initial Fixed

Term and during any Option Period(s), the Project or any other Improvements are damaged or destroyed by fire, casualty or any cause whatsoever, either in whole or in part, and Tenant does not elect to terminate this Lease pursuant to the provisions of Section 14.2 hereof, Tenant shall with due diligence remove any resulting debris and repair or rebuild the damaged or destroyed Improvements. Unless Tenant, in its sole discretion, elects to terminate this Lease following such a casualty, then this Lease shall not terminate. The proceeds of all insurance on the Leased Premises, including Tenant's Property which is maintained by Tenant, shall belong to Tenant, and Landlord shall make all insurance proceeds available as a result of such fire, casualty or other destruction to Tenant and the then insurance proceeds shall be used for restoration. Notwithstanding the foregoing, in the event of a casualty during any Option Period(s), Tenant may demolish the Project or other Improvements on the Leased Premises and construct new improvements as Tenant may deem appropriate in order to be able to operate pursuant to the Intended Use. In the event Tenant demolishes the Project or other Improvements on the Leased Premises during any Option Period, Tenant shall, at Tenant's sole cost and expense and as directed in the approval issued by the Landlord, either: (i) remove promptly thereafter all debris and leave the building pad and the Leased Premises in a clean and sightly condition, or (ii) construct new improvements (for use as any lawful use not otherwise prohibited by this Lease) according to such plans and specifications as Tenant may deem appropriate.

14.2 Right to Terminate on Certain Damage. If the Improvements are damaged or destroyed by fire, casualty or any cause whatsoever (a) at any time during any Option Period of this Lease to the extent that the cost to repair, restore, and replace such damaged or destroyed Improvements is twenty five percent (25%) or more of the full replacement cost (determined as of the time such damage or destruction occurred) of such Improvements, then Tenant may terminate this Lease by notice to Landlord given within thirty (30) days after such damage or destruction. Upon Tenant giving such notice, this Lease shall automatically terminate. This section shall have no applicability during the Initial Fixed Term, during which time Tenant shall have the same rights and obligations under this Lease in the event of any casualty or damage to the Project as Landlord has under the Facility Lease.

14.3 Bond Terms; Site Lease and Facility Lease to Control During the Initial Fixed Term, the terms and conditions of the Indenture and Bond Leases shall control to the extent of any conflict with the provisions of this section, and during the Initial Fixed Term, Tenant shall have only those rights and responsibilities as possessed by Landlord under the Facility Lease with reference to the subject matter of this section.

Article 15.
CONDEMNATION

15.1 Taking During Initial Fixed Term. In the event of any taking by eminent domain or condemnation with respect to the Project during the Initial Fixed Term, the Tenant and the Landlord shall transfer to the Trustee any net proceeds received by the Tenant or Landlord for deposit in the special fund created by the Indenture for the Bonds. If the Facility Lease is terminated as a result of a condemnation of the whole of the Project or so much thereof as to render the remainder unusable for the purposes for which it was used by the Tenant, then this Lease shall be terminated on the same date, and to the same extent, as the Facility Lease. If the Facility Lease

Payments are reduced as a result of a partial taking pursuant to Section 4.10(b) thereof, then the Improvement Rent due hereunder shall be reduced accordingly and the Base Rent due hereunder shall be reduced in the same proportion as the reduction of the Facility Lease Payments and Improvement Rent payments and this Lease shall continue in full force and effect as to the remainder of the Property not taken, and the parties waive the benefits of any law to the contrary.

15.2 Taking During Any Option Period(s). The provisions of this section shall apply in the event of a condemnation or taking following expiration of the Initial Fixed Term and during any Option Period(s).

(a) Total Taking. If any material part of the Leased Premises (meaning any part of the Improvements) is taken in any proceeding by any Governmental Authority by condemnation, eminent domain, or otherwise or is conveyed under threat of such taking (which Landlord shall not do without Tenant's prior written consent), and Tenant reasonably determines that the remaining portion will not permit Tenant to operate its business on the Leased Premises, Tenant shall have the option of terminating this Lease by notice to Landlord of its election to do so given on or before the date which is six (6) months after Tenant is deprived of possession of the condemned property, and upon the giving of such notice, this Lease shall automatically terminate. If a material part of the Leased Premises (meaning any part of the Improvements) is so taken and Tenant elects not to terminate this Lease, then the Parties shall, to the extent and making use of the condemnation award for the portion of the Leased Premises so taken, restore the Improvements to be in compliance with applicable Law and in as near a condition as possible to the condition as the Improvements existed prior to such taking, with such alterations as Tenant and Landlord may mutually deem appropriate. Any restoration work to be performed pursuant to this section shall be completed in accordance with Section 13.1 (Alternations).

(b) Condemnation Award. In any such proceeding whereby all or part of the Leased Premises is taken, whether or not a Party elects to terminate this Lease, Landlord and Tenant shall each have the right to prove, claim and receive such sums and award as they may show themselves to be entitled as a result thereof and in particular, but without limitation, Tenant shall be entitled to claim an award which compensates Tenant for the loss in the value of Tenant's leasehold estate taken or sold as of the date of such condemnation, taking or sale, and a reasonable relocation allowance, and Landlord shall be entitled to claim an award which compensates Landlord for the taking of its fee simple interest in the land containing the Leased Premises. Termination of this Lease shall not affect the right of the respective parties to such awards.

(c) Temporary Taking. If by reason of a taking Tenant is temporarily deprived in whole or in part of the use of the Leased Premises or any part thereof, , the entire award made as compensation therefor shall belong to Tenant, and there shall be no abatement of the Annual Fixed Rent payable hereunder.

15.3 No Taking by Landlord Action. Landlord or its Affiliates shall not, directly or indirectly, initiate or take any action seeking a public or private taking of the Project, Improvements, or of any part of the Leased Premises.

Article 16.
INSURANCE, INDEMNITY, WAIVER OF SUBROGATION AND FIRE PROTECTION

16.1 **Tenant Indemnity**. Tenant shall, subject to the provisions of Section 16.4, defend, indemnify and save harmless Landlord, its trustees, directors, officers, agents and servants, from and against all Claims: (a) arising from or out of any occurrence in, upon or at the Leased Premises during the Term of this Lease, or the occupancy or use by Tenant of the Leased Premises or the Common Facilities or any part thereof, except to the extent the same is caused by the willful misconduct or gross negligent act or omission of Landlord, its agents, employees or contractors; or (b) occasioned wholly or in part by any negligent act or omission of Tenant, its agents, employees, servants, subtenants, lessees or concessionaires. If any action or proceeding is brought against Landlord, its officers, agents or servants by reason of any of the aforementioned causes, Tenant, upon receiving written notice thereof from Landlord in the manner prescribed herein, agrees to defend such action or proceeding by adequate counsel at its own expense. Nothing in this section is intended or shall be construed as waiving, limiting or restricting application of the Government Claims Act to any Claims brought against the Landlord as a government authority, nor any of the governmental immunities enjoyed by Landlord, its officers, and employees under California law.

16.2 **Tenant Insurance**. In order to protect the Landlord and its employees, agents, officers and elected officials (collectively, "***Landlord Indemnified Parties***") against any and all claims and liability for death, injury, loss and damage resulting from Tenant's actions in connection with this Lease, the Leased Premises, or the Project, Tenant shall secure and maintain the insurance coverage, described in and required by this section. Tenant shall pay any deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Lease. Tenant shall maintain all insurance policies as set forth in this Section for the entire term of this Lease, with the exception of those policies relating to design and construction of the Project which shall be maintained until issuance of the final certificate of occupancy for the Project ("***Certificate of Occupancy***"). Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the Tenant.

(a) Workers' Compensation Insurance. Tenant shall submit written proof that Tenant is insured against employer's liability for workers' compensation in accordance with the provisions of Section 3700 of the Labor Code. Said policy shall provide for indemnification of the employer against direct or contingent loss or liability for damages for bodily and personal injury or disease of an employee. Said policy shall provide coverage in the minimum liability limits of $1,000,000 per accident for bodily injury and disease. By executing this Lease, Tenant makes the following certification, required by Section 1861 of the Labor Code:

> "I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of the Lease."

Tenant shall require each contractor and sub-contractor performing work on the Project to provide workers' compensation coverage for all of such contractor's or sub-contractor's employees, unless the contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by Tenant. If any class of employees engaged in work or services performed in connection with the Project is not covered by Labor Code Section 3700, Tenant shall provide and/or require each contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees. Each workers' compensation policy procured pursuant to this Section shall contain a full waiver of subrogation clause in favor of the Landlord Indemnified Parties.

(b) Commercial General Liability Insurance and Property Damage. Tenant shall submit written proof that Tenant has a standard comprehensive general public liability and property damage policy or policies, including general liability, liquor liability, automobile liability, in protection of the Tenant and Landlord and their respective officers, agents and employees as additional insureds under the policy or policies. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Leased Premises. Said policy or policies shall provide coverage in the minimum liability limits of $20,000,000 for personal injury or damage to property resulting from each accident or event. The general aggregate limit shall be not less than Forty Million Dollars ($40,000,000) unless a Twenty Million Dollars ($20,000,000) per location aggregate limit is provided by separate endorsement. Such public liability and property damage insurance may, however, be in the form of a single limit policy covering all such risks in an amount equal to the aggregate minimum liability limits set forth herein. The Landlord, its officers, officials, employees, and volunteers are to be covered as additional insureds on the policy with respect to use or operation of the Leased Premises, including materials, parts, or equipment furnished in connection with such use or operation. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

(c) Architectural / Engineering Services. If Tenant hires a consultant to provide design services, such as architectural or engineering services in connection with the Project, or any portion of the Project, Tenant shall require each such consultant to provide Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of such design services, with limits of not less than TWO MILLION DOLLARS ($2,000,000) per incident and not less than TWO MILLION DOLLARS ($2,000,000) aggregate.

(d) Hazard Insurance. Throughout the Term of this Lease, Tenant shall maintain a policy or policies of insurance against loss or damage to the Project resulting from fire, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage" in the full replacement value of the Project, excluding flood and earthquake; provided, however, that an earthquake and flood rider shall be purchased for the Property if such coverage is available at a reasonable cost. This policy or policies may be in the form of a builder's risk policy providing coverage in an amount not less than the

construction costs expended for the Project until such time as the Project is complete and available for use and occupancy and thereafter shall be maintained in an amount not less than the full replacement value of the Project and shall name the Landlord as additional insureds and the Trustee for the Bonds as loss payee under the policy or policies. The term "full replacement value" as used in this section shall mean the actual replacement cost of the improvements located on the Leased Premises (including the cost of restoring the surface of the Leased Premises, but excluding the cost of restoring trees, plants and shrubs).

(e) Renters Interruption Insurance. The Tenant shall maintain rental interruption insurance with respect to the Project in an amount not less than the maximum scheduled Improvement Rent payable in any twenty-four month period during the Term hereof due with respect to the Project, to insure against loss of rental income from the Project caused by perils covered by the hazard insurance required to be maintained as provided in Section 16.2(d). Such insurance shall be obtained not later than thirty (30) days prior to the first Improvement Rent payment.

(f) Builders Risk Insurance. During the construction of the Project and pending issuance of a Certificate of Occupancy for the Project, Tenant shall maintain Builder's Risk Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to 100% of the completed insurable value of the Project or portion of the Project on which such contractor is performing work and shall name the Trustee for the Bonds as loss payee under the policy or policies.

(g) Contractors and Subcontractor Insurance. During the construction of or improvements to the Project, Tenant shall require that each contractor performing work on the Project maintain the following insurance coverage, as specified below, at all times during the performance of said work, or Tenant shall provide for such contractors "wrap" coverage, as specified below, at all times during the performance of said work: (i) Each general contractor and each sub-contractor shall maintain Commercial General Liability Insurance with limits of not less than ONE MILLION DOLLARS ($1,000,000) per occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate to protect Tenant during the construction of the Project from claims involving bodily injury and/or death and damage to the property of others; and (ii) Each general contractor and each sub-contractor shall maintain Automobile Liability Insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS ($1,000,000) each occurrence. Such automobile liability insurance shall be provided by a business or commercial vehicle policy.

(h) Personal Property or Renters Insurance. Tenant shall maintain personal property or renters insurance during the term of this Agreement, in an aggregate amount equal to 100% of the replacement value of Tenant's Property and Tenant's IP stored or kept on the Leased Premises.

(i) General Insurance Provisions.

(i) Any insurance coverage required under this Lease shall be written on an occurrence basis. The applicable certificate of insurance must clearly provide that the coverage is on an "occurrence" basis. The requirements of this Section shall survive any expiration or termination of this Lease and the recordation of any Certificate of Completion.

(ii) Receipt by Landlord of evidence of insurance that does not comply with the above requirements shall not constitute a waiver of the insurance requirements of this Lease.

(iii) All of the insurance coverage required under this Section shall be maintained by Tenant or its contractors, as required by the terms of this Lease, and shall not be reduced, modified, or canceled without, at least, thirty (30) days prior written notice to Landlord. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or any coverage for the Additional Insureds. Tenant shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy.

(iv) All insurance to be obtained and maintained by Tenant under this Section shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A-7" rating.

(v) Landlord will not accept self-insurance in satisfaction of the insurance requirements of this Section.

(vi) All insurance obtained and maintained by Tenant in satisfaction of the requirements of this Lease shall be primary to and not contributing to any insurance maintained by the Additional Insureds.

(vii) Insurance coverage in the minimum amounts set forth in this Section shall not be construed to relieve Tenant of any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the Additional Insureds from taking such other actions as are available to them under any other provision of this Lease or otherwise at law.

(viii) Failure by Tenant to maintain all insurance coverage required by this Section in effect shall be an event of default by Tenant. Landlord, at its sole option, may exercise any remedy available to them in connection with such an event of default. Alternatively, Landlord may, at its sole option, purchase any such required insurance coverage and Landlord shall be entitled to immediate payment from Tenant for any premiums and associated costs paid by Landlord for such insurance coverage. Any election by Landlord to purchase or not to purchase insurance

otherwise required to be carried by Tenant shall not relieve Tenant of its obligation to obtain and maintain the insurance coverage required by this Lease.

16.3 Payment of Insurance Proceeds. Proceeds of any policies of liability insurance required above shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid, and during the Initial Fixed Term shall be governed by and applied as required by the Facility Lease and Indenture.

16.4 Cooperation. Each Party shall cooperate with the other Party, each at their own expense, in filing any proof of loss with respect to any insurance policy maintained pursuant to this Article and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any portion thereof.

16.5 Liability Insurance; Landlord Gross Negligence. Landlord will, subject to Section 16.6, indemnify and save harmless Tenant, its officers, agents and servants, from and against all Claims in connection with loss of life, bodily injury and/or damage to property occasioned wholly or in part by any willful misconduct or gross negligent act or omission of Landlord, its agents, employees or servants. If any action or proceeding is brought against Tenant, its agents or servants by reason of any of the aforementioned causes, Landlord, upon receiving written notice thereof from Tenant in the manner provided herein, agrees to defend such action or proceeding by adequate counsel at its own expense. Landlord agrees to insure the foregoing obligation by contractual endorsement under a commercial general public liability policy (including personal injury and property damage and which may be a blanket policy) to be maintained by Landlord (on which Tenant is named as an additional insured) with single limits of not less than $2,000,000. Landlord shall provide Tenant certificates of insurance from Landlord's insurer on ACORD 25 or equivalent evidencing that the insurance so required to be maintained by Landlord is in full force and effect at all times. Landlord agrees that any policy of insurance hereunder shall provide that it will not terminate or expire, or be amended to reduce the amount or scope of the coverage provided thereby, except upon ten (10) days' prior written notice to Tenant. Nothing in this section is intended or shall be construed as waiving, limiting or restricting application of the Government Claims Act to any Claims brought against the City, nor any of the governmental immunities enjoyed by the City, its officers, and employees under California law.

16.6 Waiver of Subrogation. Landlord hereby releases Tenant and Tenant hereby releases Landlord from any and all liability for loss, damage or injury to the property of the other in or about the Leased Premises or the Project which is caused by or results from a peril or event or happening which is covered by insurance actually carried and in force at the time of the loss by the party sustaining such loss; provided, however, that such waiver shall be effective only to the extent permitted by the insurance covering such loss and to the extent such insurance is not prejudiced.

Article 17.
LEASEHOLD MORTGAGES

This Article shall only apply in the event that (i) the Bonds do not issue, or (ii) following the Initial Fixed Term, expiration of the Facility Lease, and full repayment of outstanding Bonds under the terms of the Indenture.

17.1 Rights to Mortgage Lease. Tenant, and its permitted successors and assigns shall have the right to mortgage and pledge its interest in this Lease ("***Leasehold Mortgage***"), only in accordance with and subject to the terms and conditions of this Article 17. Any Leasehold Mortgage shall be subject and subordinate to the rights of Landlord hereunder and to the Landlord's fee interest in the Leased Premises. The holder of a Leasehold Mortgage is referred to herein as a "***Leasehold Mortgagee***".

17.2 Requirements. If Tenant, or Tenant's successors or assigns, mortgage this Lease in compliance with the provisions of this Article 17, then so long as any such mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) Notice. Landlord shall give to each Leasehold Mortgagee a copy of each Notice which it gives to Tenant pursuant to this Lease. Landlord shall provide such Notices in the manner required by Section 21.2 and shall be sent to the addressees designated by such Leasehold Mortgagee from time to time. No Notice delivered to Tenant shall be effective until a copy thereof has been delivered to each Leasehold Mortgagee.

(b) Cure and Exercise of Tenant's Rights. Each Leasehold Mortgagee shall have the right to perform any covenant or agreement under this Lease to be performed by Tenant, and Landlord shall accept such performance by any Leasehold Mortgagee as if performed by Tenant. Each Leasehold Mortgagee shall have the right to cure Tenant's defaults within the thirty (30) day period (or such longer period of time as is reasonably required to cure such default if Leasehold Mortgagee commences the cure within such 30-day period and thereafter diligently prosecutes such cure) following the expiration of Tenant's cure period applicable to such default set forth in Article 20.

(c) Termination of Lease. If Landlord intends to terminate this Lease due to Tenant's default pursuant to Section 20.1, Landlord shall first notify every Leasehold Mortgagee of such intention at least fifteen (15) Business Days in advance of the proposed effective date for such termination. A Leasehold Mortgagee shall have the right to postpone the date on which this Lease would so terminate for a period of thirty (30) days or for such longer period of time as is reasonably required to obtain possession of the Leased Premises and cure Tenant's default, provided that such Leasehold Mortgagee shall have (i) given to Landlord written notice of its intention to cure all defaults susceptible of cure by such Leasehold Mortgagee, (ii) cured all defaults, if any, then existing which may be cured by the payment of a sum of money (excepting obligations of Tenant to discharge liens, charges or encumbrances against Tenant's leasehold estate), and (iii) initiated, and be diligently pursuing, steps to acquire the leasehold estate by foreclosure of its Leasehold Mortgage or otherwise.

(d) Replacement of Lease. If this Lease shall be terminated pursuant to Section 20.2, Landlord promptly shall notify each Leasehold Mortgagee of such termination. No later than sixty (60) days after request by the Leasehold Mortgagee having the most senior lien priority, Landlord shall enter into a replacement lease for the Leased Premises with said Leasehold Mortgagee (or its nominee or designee). Such replacement lease shall (i) have the same priority as this Lease, (ii) be for the remainder of the Term, (iii) have the same terms and conditions contained in this Lease (but shall include the right to assign, without Landlord's consent, the tenant's leasehold interest thereunder), and (iv) grant to or confirm in such Leasehold Mortgagee or its nominee or designee the same interest (as an owner or tenant) in and to the Improvements as previously held by Tenant under this Lease. The foregoing right to obtain a replacement lease is contingent upon such Leasehold Mortgagee paying to Landlord all sums then due by tenant under this Lease.

(e) Rights of Leasehold Mortgagee to Take Possession. Any Leasehold Mortgagee shall have the right, in the event of a default under the agreements governing its Leasehold Mortgage, if allowed by law and its agreements with Tenant, to take possession of the Leased Premises.

(f) Rights and Obligations of Leasehold Mortgagees Upon Foreclosure. If (i) a Leasehold Mortgagee shall obtain possession of the Leased Premises by foreclosure or other enforcement proceeding under any Leasehold Mortgage or by obtaining an assignment of the leasehold estate in lieu of foreclosure or through settlement of or arising out of any pending or threatened foreclosure proceeding, (ii) a lease assumption agreement shall be delivered to Landlord by such Leasehold Mortgagee in possession or its designee, regarding covenants and conditions contained in this Lease on Tenant's part to be performed (other than any covenant not susceptible of performance by any person other than Tenant (a "***Personal Covenant***")), and (iii) such Leasehold Mortgagee shall have complied with all obligations on Tenant's part to be performed under this Lease (other than any Personal Covenant), including the curing of all defaults susceptible of being cured by such Leasehold Mortgagee, then (A) all defaults not susceptible of being cured by such Leasehold Mortgagee shall be deemed waived and all rights of Tenant under this Lease shall be deemed reinstated, and (B) notwithstanding any provision in this Lease to the contrary, such Leasehold Mortgagee or other person or any of their respective designees or nominees and their respective successors and assigns shall have the further right to assign, from time to time, the leasehold estate without Landlord's consent.

Article 18.
TENANT COVENANTS AGAINST DISCRIMINATION

Tenant shall comply with the following covenants and restrictions at all times during the performance of this Lease:

18.1 Obligation to Refrain from Discrimination. Tenant for itself, its successors and assigns to all or any part or portion of the Leased Premises and/or the Project, covenants and agrees that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Leased Premises nor shall Tenant, itself or any person claiming under or through it, establish or permit any such practice or

practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessees or vendees of the Leased Premises. With respect to familial status, this Section18.1 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 22.1 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivision (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and Subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 22.1. The covenant of this Section 22.1 shall run with the land of the Leased Premises and shall be enforceable against Tenant and its successors and assigns in perpetuity.

18.2 **Form of Non-Discrimination and Non-Segregation Clauses**. Tenant for itself, its successors and assigns to all or any part or portion of the Leased Premises and/or the Project, covenants and agrees that:

(a) Tenant, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Leased Premises (or any portion thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. With respect to familial status, this Section 18.2 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 18.2 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivision (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and Subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section.

(b) All deeds, leases or contracts pertaining to occupancy of the Property shall contain or be subject to substantially the following non-discrimination or non-segregation covenants.

(c) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivision (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and Subdivisions

(n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

(d) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sub-lessee, sub-tenants, or vendees in the premises herein leased.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivision (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and Subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph."

(e) In contracts pertaining to occupancy: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub-lessees or sub-tenants of the premises herein transferred. The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivision (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and Subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph."

(f) The covenants of this Section 18.2 shall run with the Term of this Lease and shall be enforceable against Tenant and its successors and assigns. Landlord and Tenant

acknowledge and agree that the covenants of this Section 18.2 shall not apply to vendors or any other person not permanently occupying the Property.

Article 19.
ESTOPPEL; ATTORNMENT AND SUBORDINATION

19.1 **Estoppel Certificate**. Each party agrees, within ten (10) Business Days after request by the other party, to execute, acknowledge and deliver to and in favor of the proposed holder of any Mortgage or purchaser of the Leased Premises, the Common Facilities or the Development, or any proposed Permitted Transferee or assignee or sublessee of Tenant, an estoppel certificate in such form as Landlord may reasonably require, but stating no less than: whether this Lease is in full force and effect; whether this Lease has been modified or amended and, if so, identifying and describing any such modification or amendment; the date to which rent and any other charges have been paid; and whether such party knows of any default on the part of the other party or has any claim against the other party and, if so, specifying the nature of such default or claim. Concurrently with the execution of this Lease, or with Tenant's consent, within fifteen (15) days thereafter, Landlord shall deliver at Tenant's request an estoppel statement from any party under any license, easement, declaration, reciprocal easement agreement, or similar agreement that affects the Leased Premises, confirming that said agreements are in full force and effect for the benefit of Tenant, and that there are no defaults thereunder.

19.2 **Attornment by Tenant**. Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any Mortgage prior in lien to this Lease made by Landlord, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease in accordance with an SNDA executed by Landlord's mortgagee and Tenant in accordance with this Section 19.2.

19.3 **Subordination/Non-Disturbance**. Upon request of the holder of any Mortgage, Tenant will subordinate its rights under this Lease to the lien thereof and to all advances made or hereafter to be made upon the security thereof, and Tenant shall execute, acknowledge and deliver an instrument effecting such subordination; PROVIDED, HOWEVER, Tenant's obligation to (a) subordinate its rights under this Lease to the lien of any holder of a Mortgage and (b) execute and deliver such instrument shall be conditioned upon Landlord obtaining and delivering to Tenant, in recordable form, from the holder of any Mortgage to which this Lease is to become subordinate a subordination, non-disturbance, and attornment agreement reasonably acceptable to Tenant (an "***SNDA***") containing a covenant binding upon the holder thereof to the effect that as long as Tenant is not in default under this Lease, this Lease shall not be terminated or modified in any respect whatsoever, nor shall the rights of Tenant hereunder or its occupancy of the Leased Premises be affected in any way by reason of such Mortgage or any foreclosure action or other proceeding that may be instituted in connection therewith, and that, except to the extent that the holder of such Mortgage is required to do so to effectively foreclose such Mortgage, Tenant shall not be named as a defendant in any such foreclosure action or other proceeding. In addition, if there is any existing financing as of the date of this Lease, then an SNDA shall be executed and recorded in the real estate records of the applicable county prior to the expiration of the Inspection Period.

Article 20.
DEFAULT AND REMEDIES

20.1 Tenant Default; Cure Rights; Landlord's Remedies. If (a) Tenant fails to pay any Rent hereunder within ten (10) Business Days after notice of default, or (b) Tenant fails to perform or observe any of the other covenants, terms, provisions or conditions on its part to be performed or observed under this Lease within thirty (30) days after notice of default (or if more than thirty (30) days shall be reasonably required because of the nature of the default, if Tenant shall fail to consummate within such 30-day period and thereafter proceed diligently to complete the cure of such default after such notice); then, Landlord may at any time thereafter exercise any of the following rights and remedies:

(a) *Sue for Delinquent Rent*. If Tenant has failed to pay Rent when the same is due under this Lease, and such failure is not cured within the cure period provided in this Lease, Landlord may, with or without re-entering and retaking possession of the Leased Premises, sue for all Rent due from Tenant to Landlord hereunder as such Rent becomes due under this Lease, plus interest at the Default Rate on all past due amounts calculated from the date Rent was due until paid in full.

(b) *Retake and Relet the Leased Premises*. Landlord may, pursuant to written notice thereof to Tenant and without terminating this Lease, (i) peaceably or pursuant to appropriate legal proceedings, re-enter and retake possession of the Leased Premises for the account of Tenant, (ii) make such repairs to the Leased Premises as may be reasonably necessary in order to relet the same or any part thereof, and (iii) relet or attempt to relet the Leased Premises or any part thereof for such term, at such rents and upon such other provisions as Landlord may deem appropriate in its reasonable discretion. Upon any such reletting by Landlord, all rents received by Landlord from such reletting shall be applied, (w) first, to the payment of all reasonable costs and expenses of recovering possession of the Leased Premises, (x) second, to the payment of all reasonable costs and expenses of such reletting, including attorneys' fees and the cost of any repairs reasonably required for such reletting; (y) third, to the payment of all Rent due and unpaid under this Lease, and (z) fourth, the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable by Tenant hereunder. If the rents received from such reletting during any period shall be less than that required to be paid as and when due under this Lease, Tenant shall pay any such deficiency to Landlord as Rent becomes due under this Lease.

(c) *Terminate the Lease and Retake the Leased Premises*. Landlord may, pursuant to written notice thereof to Tenant, terminate this Lease and, peaceably or pursuant to appropriate legal proceedings, re-enter and retake possession of the Leased Premises for Landlord's own account and, for Tenant's breach of and default under this Lease, recover immediately from Tenant the following (i) all Rents accrued as of such termination, (ii) all reasonable costs and expenses of recovering possession of the Leased Premises, and (iii) all reasonable costs and expenses of reletting the Leased Premises, including attorneys' fees and the cost of any repairs reasonably required for such reletting.

(d) *Limitation of Remedies*. Notwithstanding anything in this Section 20.1 or this Lease to the contrary, following the Initial Fixed Term (and full repayment of the

Bonds) and during any Option Period(s), Landlord shall in no event be entitled to the remedy of acceleration of rents.

(e) *Enforcement*. In the event of a failure to comply with the provisions of this Agreement by Tenant, and following notice and an opportunity to cure as outlined above, then Landlord may, without further notice, bring an action to specifically enforce the obligations of Tenant under this Lease, the rights of Landlord under this Lease, and the remedies of Landlord under this Section 21.1.

20.2 Landlord Default; Cure Rights. If Landlord fails to perform or observe any of the material covenants, terms, provisions or conditions on its part to be performed or observed under this Lease within (i) ninety (90) days during the Initial Term, or (ii) thirty (30) days during any Renewal Term, after notice of material default (or if more than ninety (90) days or thirty (30) days, as applicable, shall be reasonably required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after such notice), then Tenant may immediately or at any time thereafter, in addition to any other rights and remedies as may otherwise be provided in this Lease for a Landlord default, pursue all rights and remedies it may have at law and equity generally including, without limitation, the right to cure Landlord's default, if cureable by Tenant and recover the cost of cure from Landlord, with interest at the Default Rate. However, Tenant agrees that it shall not exercise the remedy of terminating the Lease during the Initial Fixed Term unless and until (a) Landlord has failed to cure its default and (b) Tenant has given notice to the Trustee under the Bond Indenture for the Bonds and such Trustee has failed to cure Landlord's default within thirty (30) days following Tenant's notice is given to the Trustee.

Article 21.
MISCELLANEOUS

21.1 Lease Not to be Recorded Without Consent. Upon request of Landlord or Tenant, the parties hereto shall promptly execute and deliver a memorandum of this Lease for recording purposes in substantially the same form as attached hereto as Exhibit F. The party requesting that the memorandum of this Lease be recorded shall pay all recording fees. Neither party may record this Lease without the consent of the other party.

21.2 Notices. All notices, consents, requests, approvals and authorizations (collectively, "***Notices***") required or permitted under this Lease shall only be effective if in writing. All Notices (except Notices of default, which may only be sent pursuant to the methods described in (A) and (B) below) shall be sent (A) by registered or certified mail (return receipt requested), postage prepaid, or (B) by Federal Express, U.S. Post Office Express Mail, or similar nationally recognized overnight courier which delivers only upon signed receipt of the addressee, or (C) by e-mail with a copy sent within 24 hours in the manner provided in clause (B) above, and addressed as follows or at such other address, and to the attention of such other person, as the parties shall give notice as herein provided:

f intended for Landlord: City of Montebello – City Hall
1600 W. Beverly Blvd.
Montebello, CA 90640
Attn: City Manager

	E-mail: Rbobadilla@CityofMontebello.com
With a copy to:	Alvarez-Glasman & Colvin 13181 Crossroads Pkwy, North Tower – Suite 400 City of Industry, CA 91746 ATTN: Arnold M. Alvarez-Glasman
If intended for Tenant:	Topgolf USA MB, LLC 8750 N. Central Expressway, Suite 1200 Dallas, Texas 75231 Attn: Elizabeth E. Bonesio, Esq. E-mail: liz.bonesio@topgolf.com Attn: Jonathan Olsen, Esq. E-mail: Jonathan.Olsen@topgolf.com
With a copy to:	***[Tenant's Leasehold Mortgagee (if any)]***

A notice sent pursuant to clauses (A) through (C) above shall be deemed to be duly received when delivered; provided that if a notice, request or other communication is served by hand or is received by e-mail on a day which is not a Business Day, or after 5:00 p.m. local time on any Business day at the addressee's location, such notice or communication shall be deemed to be duly received by the recipient at 9:00 a.m. local time of the addressee on the first Business Day thereafter. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice was given shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.

21.3 Waiver of Performance and Disputes. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition, nor shall any delay or omission by either party to seek a remedy for any breach of this Lease or to exercise a right accruing to such party by reason of such breach be deemed a waiver by such party of its remedies or rights with respect to such breach.

21.4 Modification of Lease. The terms, covenants and conditions hereof may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of the change, modification or discharge is sought.

21.5 Lease Binding on Successors and Assigns, etc.. Except as herein otherwise expressly provided, all covenants, agreements, provisions and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, executors, administrators, successors in interest and assigns as well as grantees of Landlord, and shall run with the land. Without limiting the generality of the foregoing, all rights of Tenant under this Lease may be granted by Tenant to any permitted sublessee of Tenant, subject to the terms of this Lease.

21.6 Brokers. Landlord shall pay Tenant's brokers (The Retail Connection, L.P. and Epsteen & Associates) a total cash commission equal to two percent (2%) of the portion of the Base Rent (but not the Improvement Rent) payable during the Initial Fixed Term of this Lease. Notwithstanding the foregoing, in no event shall the foregoing commission exceed the total amount of FIVE HUNDRED FIFTY THOUSAND DOLLARS ($550,000.00). The commission shall be paid in full following Tenant's receiving a Certificate of Occupancy for the Project from Landlord. The Parties acknowledge and agree that there are no other brokers involved in this Lease, and that the sole and only commissions payable in connection with this Lease shall be to The Retail Connection, L.P. and Epsteen & Associates.

21.7 Governing Law. This Lease and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. All legal actions brought to enforce the terms of this Lease shall be brought and heard in the Superior Court of the State of California, County of Los Angeles.

21.8 Estoppel. Landlord and Tenant each confirm and agree that (a) it has read and understood all of the provisions of this Lease; (b) it is an experienced real estate investor and is familiar with major sophisticated transactions such as that contemplated by this Lease; (c) it has negotiated with the other party at arm's length with equal bargaining power; and (d) it has been advised by competent legal counsel of its own choosing.

21.9 Severability. If any provisions of this Lease are determined to be invalid by a court of competent jurisdiction, the balance of this Lease shall remain in full force and effect, and such invalid provision shall be construed or reformed by such court in order to give the maximum permissible effect to the intention of the parties as expressed therein.

21.10 Landlord and Tenant. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Landlord and Tenant. Each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Lease. The parties agree that the financial relationship between Landlord and Tenant in connection with the Project shall be the relationship of lessor and lessee and Tenant shall have no direct liability in connection with the Bonds.

21.11 Authority. The persons executing this Lease on behalf of Tenant and Landlord covenant and warrant to the other party that (a) they are duly authorized to execute this Lease on behalf of the party for whom they are acting, and (b) the execution of this Lease has been duly authorized by the party for whom they are acting.

21.12 Time is of the Essence. Time is of the essence with respect to the performance of each of the terms, provisions, covenants and conditions contained in this Lease. If the expiration of any time period set forth in this Lease (e.g., the Inspection Period) falls on a day which is not a Business Day, such period shall be extended until and expire on the next day which is a Business Day.

21.13 Consent. The parties agree to act in good faith and with fair dealing with one another in the execution, performance and implementation of the terms and provisions of this Lease. Whenever the consent, approval or other action of a party is required under any provision of this Lease, such consent, approval or other action shall not be unreasonably withheld, delayed or

conditioned by a party unless the provision in question expressly authorizes such party to withhold or deny consent or approval or decline to take action in accordance with a different standard.

21.14 Attorneys' Fees. In case suit is brought because of the breach of any agreement or obligation contained in this Lease on the part of Tenant or Landlord to be kept or performed, and a breach is established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorneys' fees.

21.15 Entire Agreement. Except for any other Project Agreements, this Lease constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties. There are no agreements or understandings between the Parties and no representations by either Party to the other as an inducement to enter into this Lease, except as expressly set forth herein. The Development Agreement shall terminate upon execution of this Lease.

21.16 Counterparts. This Lease may be executed at different times and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Lease by e-mail shall be as effective as delivery of a manually executed counterpart of this Lease.

21.17 Rules of Construction. The following rules of construction shall be applicable for all purposes of this Lease, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Lease, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Lease.

(b) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of the other genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without being limited to."

(d) This Lease shall be construed as a whole according to its fair language and common meaning to achieve the objective and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Lease, both parties having been represented by counsel in the negotiation and preparation hereof.

21.18 Prohibited Persons.

(a) Landlord and Tenant each represent and warrant to the other that it is not, and shall not during the Construction Term and the Term of this Lease become, a person or entity with whom the other party is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H. R. 3162, Public Law 107-56 (commonly known as the "***USA Patriot Act***") and Executive Order Number 13224 on Terrorism Financing, effective

September 24, 2001 and regulations promulgated pursuant thereto, including without limitation persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List (collectively, "***Prohibited Persons***").

(b) Landlord and Tenant each represent and warrant to the other that, to the best of its knowledge, it is not currently engaged in any transactions or dealings, or otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Leased Premises. Landlord and Tenant each agree that it will not, during the Construction Term and the Term of this Lease, engage in any transactions or dealings, or be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Leased Premises.

21.19 Ongoing Access and Inspection Rights. Tenant shall permit Landlord and its authorized representatives to enter the Project at all reasonable times upon 48 hours' prior notice (except in the event of an emergency, in which no prior notice is required prior to entry) for the purposes of (a) serving or posting or keeping posted thereon notices required or permitted by Law, (b) conducting periodic inspections, or (c) performing any work thereon required or permitted to be performed by Landlord pursuant to this Lease.

21.20 Unavoidable Delay. Performance by any Party of its obligations hereunder shall be excused during any period of Unavoidable Delay, as hereinafter defined, provided that the Party claiming the delay gives notice of the delay to the other Parties within thirty (30) days after the commencement of same has been ascertained. For purposes hereof, "***Unavoidable Delay***" shall mean delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including, without limitation: (a) act of God; (b) civil commotion or act(s) of terrorism; (c) riot; (d) strike, picketing or other labor dispute; I shortage of materials or supplies; (f) damage to work in progress by reason of fire, flood, earthquake or other casualty; (g) failure, delay or inability of Landlord to provide adequate levels of public services, facilities or infrastructure to the Property including, by way of example only, the lack of water to serve any portion of the Property due to drought; (h) delay caused by the acts or failure to act of governmental entities; (i) epidemic or pandemic; or (j) litigation brought by a third party attacking the validity of this Lease or any other action necessary for development of the Project. The condition of the world, country, state or local economy shall not constitute an Unavoidable Delay.

21.21 Guaranty. This Lease is conditioned upon the simultaneous execution and delivery to the Landlord of the Guaranty of Topgolf International Inc., in the form attached hereto as Exhibit H. Except as otherwise may be released by the Landlord, the Guaranty shall survive and remain in full force for the Initial Fixed Term of this Lease, regardless of whether this Lease is earlier terminated by the Parties, unless the termination is for a material breach of this Lease by Landlord.

21.22 No Publicity; Confidentiality. Any information provided by Tenant to Landlord, including pro formas and other financial projections (whether in written, graphic, electronic or any other form) that is clearly marked as "CONFIDENTIAL/PROPRIETARY INFORMATION" ("***Confidential Information***") shall be subject to the provisions of this Section. Landlord shall use good faith diligent efforts to prevent disclosure of the Confidential Information to any third parties, except as may be required by the California Public Records Act (Government Code Section 6253 *et seq*.) or other applicable local, state or federal disclosure law (collectively, "***Public Disclosure Laws***"). Notwithstanding the preceding sentence Landlord may disclose Confidential Information

to its officials, employees, agents, attorneys and advisors, but only to the extent necessary to carry out the purpose for which the Confidential Information was disclosed. In the event that any third party, other than the parties mentioned in the immediately preceding sentence, requires Confidential Information in order to negotiate and finalize the Project Agreements, Landlord shall notify Tenant of the request, as well as the identity of and contact information for such third party and within a reasonable time after receiving such notice and negotiation and execution of a confidentiality agreement between Tenant and such third party, Tenant shall disclose the requested Confidential Information to such third party. Tenant acknowledges that Landlord has not made any representations or warranties that any Confidential Information Landlord receives from Tenant will be exempt from disclosure under any Public Disclosure Laws. In the event the City Attorney determines that the release of the Confidential Information is required by Public Disclosure Laws, or order of a court of competent jurisdiction, Landlord shall notify Tenant of Landlord's intention to release the Confidential Information at its earliest reasonable opportunity, so that Tenant will have the opportunity to legally challenge such release. If the City Attorney, in his discretion, determines that only a portion of the requested Confidential Information is exempt from disclosure under the Public Disclosure Laws, Landlord may, with notification to an agreement by Tenant, redact, delete or otherwise segregate the Confidential Information that will not be released from the non-exempt portion to be released.

(a) Authorized Use. Tenant acknowledges that in connection with the City Council's consideration of any Project Agreement as contemplated by this Lease and any consideration by bond financing, Landlord will need to present a summary of Tenant's financial projections, including anticipated costs of development, anticipated Project revenues, and returns on cost and investment, in a format that is acceptable to both the Landlord and Tenant.

(b) Litigation. If any litigation is filed seeking to make public any Confidential Information, Landlord and Tenant may mutually agree in writing to defend the litigation, and if the Parties agree to defend the litigation, Tenant shall pay the Landlord's reasonable costs of defending such litigation and shall indemnify Landlord against all costs and attorneys' fees awarded to the plaintiff in any such litigation. Alternatively, Tenant may elect to disclose the Confidential Information rather than defend the litigation. Tenant's indemnity obligations under this Section 21.22(b) shall survive the expiration or termination of this Lease.

(c) Limitations. The restrictions set forth herein shall not apply to Confidential Information to the extent such Confidential Information: (1) is now, or hereafter becomes, through no act or failure to act on the part of Landlord, generally known or available to the public; (2) is known by Landlord at the time of receiving such information as evidenced by Landlord's public records; (3) is hereafter furnished to Landlord by a third party, as a matter of right and without restriction on disclosure; (4) is independently developed by Landlord without any breach of this Lease and without any use of or access to Tenant's Confidential Information as evidenced by the Tenant's records; or (5) is the subject of a written permission to disclose provided by Tenant to Landlord.

21.23 Waiver of Trial By Jury. TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT AND LANDLORD HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO

AGAINST THE OTHER IN ANY MATTERS ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE AND OCCUPANCY OF THE PROJECT OR THE DEVELOPMENT, AND ANY CLAIM OF INJURY OR DAMAGE.

21.24 Public Benefit. During the Term, Tenant shall offer Montebello high school golf teams free golf Monday through Thursday between the hours of 9am and 5pm, together with a ten percent (10%) play discount to veterans and active-duty military, fire, police and EMS personnel. In addition, the Project shall provide discounted rates for Landlord-affiliated/sponsored events in an amount not to exceed twenty percent (20%) of Tenant's advertised rates from time to time. Tenant cannot show preference in hiring; but, agrees to host one (1) or more job fairs or "Mission Ambition" mass hiring events in the City at such time as Tenant commences hiring for the operation of the Project.

21.25 Defense of Actions. In the event of any court action or proceeding challenging the validity of this Lease, any of the Project Approvals, or any action referenced herein and taken in furtherance of the Project, each Party may, at the sole cost and expense of the subject Party, including but not limited to their own respective court costs and attorneys, defend or otherwise participate in such action or proceeding. Each Party shall cooperate with the other Party in any such defense as a Party may reasonably request; however, Landlord may resolve or settle such challenge in any manner determined by Landlord to be appropriate, in Landlord's sole and absolute discretion without the agreement or approval of Tenant; provided that the foregoing shall not (i) result in any financial cost to Tenant or (ii) require any change in the design of the Project or Tenant's operation plan for the Project. Additionally, in the event of any litigation or referendum initiated by third parties to attack, set aside, modify, void or annul this Lease or any action taken in furtherance hereof, the term of this Lease shall be tolled for the period during which such challenge is proceeding until fully and finally resolved.

21.26 Processing. Landlord hereby agrees that it will not unreasonably withhold or unreasonably condition any discretionary action or approval which may be issued by Landlord in order for the Project to proceed, provided that Tenant reasonably and satisfactorily complies with all preliminary procedures, actions, payments of processing fees, and criteria generally required of developers by Landlord for processing applications for developments and consistent with this Lease.

21.27 Other Governmental Permits. Landlord agrees to cooperate with Tenant in Tenant's endeavors to obtain permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Leased Premises or portions thereof (such as, for example, without limitation, public utilities or utility districts and agencies having jurisdiction over transportation facilities and air quality issues), so long as the cooperation by Landlord will not require Landlord to incur any cost, liability or expense without adequate indemnity against or right of reimbursement therefor from Tenant.

21.28 Full Disclosure. Tenant is required to make full disclosure to Landlord of its principals; officers; major stockholders, partners or members; joint venturers; and its directly involved negotiators, development managers, consultants and managerial employees. Tenant shall notify the City Manager of any material change in the structure of Tenant. Tenant shall make and

maintain full disclosure to Landlord of its proposed methods of financing to be used in development of the Project. Final approval of financing will be addressed in the Project Agreements and the Planning Approvals.

21.29 Required Actions of Parties: Further Assurances. Landlord and Tenant shall execute all such instruments and documents and take in good faith all actions necessary or convenient to consummate the transactions herein contemplated.

21.30 Conflict of Interest. No member, official or employee of either Party has any conflict of interest, direct or indirect, related to this Lease, the Leased Premises, or the development or operation of the Project within the meaning of applicable federal, state and local conflict of interest laws, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and California Government Code Section 1090.

21.31 Non-liability of Landlord, Officers, Employees. No member, official or employee of Landlord shall be personally liable to Tenant, or any successor in interest of Tenant, in the event of any default or breach by Landlord under this Lease or for any amount that may become due to Tenant or to its successor, or on any obligations under the terms of this Lease, except as may arise from the gross negligence or willful acts of such member, official or employee.

21.32 Constructive Notice and Acceptance. Every person who, now or hereafter, owns or acquires any right, title or interest in or to any portion of the Leased Premises is, and shall be, conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Lease is contained in the instrument by which such person acquired an interest in the Leased Premises.

21.33 No Third-Party Beneficiaries. This Lease is made and entered into for the sole protection and benefit of the parties and their mortgagee(s), successors and assigns. No other person or entity shall have any right of action based upon any provision of this Lease.

21.34 Incorporation of Exhibits. All recitals and attachments to this Lease, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference.

21.35 Survival. The provisions of this Article 21 shall survive the expiration or the earlier termination of this Lease. Upon the expiration or earlier termination of this Lease, Landlord and Tenant shall have no further obligations to each other except for those obligations which expressly survive such expiration or termination pursuant to this Section 21.35 and the further provisions of this Lease. Those provisions which survive the expiration or termination of this Lease shall survive for a period of twelve (12) months. Upon termination of this Lease, Rent shall be equitably adjusted as of the date of termination.

[*signature page follows*]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the day and year first above written.

LANDLORD:

CITY OF MONTEBELLO

By: _____
City Manager

ATTEST:

By: _____
City Clerk

Approved as to form:

By: _____
City Attorney

TENANT:

TOPGOLF USA MB, LLC,
a Delaware limited liability company

By:_____

Name:_____

Title:_____

EXHIBIT A

Legal Description of the Leased Premises

IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THAT PORTION OF LOT "A" OF TRACT No. 10034, AS PER MAP RECORDED IN BOOK 146, PAGES 51 THROUGH 57 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 91 OF SAID MAP, THENCE ALONG THE NORTH LINE OF LOT "A" OF SAID MAP, SOUTH 89°40'45" WEST, 901.01 FEET TO ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID NORTH LINE, SOUTH 89°07'30" WEST, 383.41 FEET; THENCE LEAVING SAID NORTH LINE THE FOLLOWING SEVENTEEN (17) COURSES:

1. SOUTH 00°05'03" EAST, 206.05 FEET;
2. SOUTH 70°42'16" EAST, 436.40 FEET;
3. NORTH 89°54'57" EAST, 167.83 FEET;
4. SOUTH 00°05'03" EAST, 87.75 FEET;
5. NORTH 89°54'57" EAST, 6.00 FEET;
6. SOUTH 00°05'03" EAST, 2.32 FEET TO THE BEGINNING OF A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 94.00 FEET;
7. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°22'12" AN ARC LENGTH OF 46.54 FEET;
8. SOUTH 28°27'15" EAST, 64.17 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 64.00 FEET;
9. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 61°37'48" AN ARC LENGTH OF 68.84 FEET;
10. NORTH 89°54'57" EAST, 97.89 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 464.00 FEET;
11. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°26'29" AN ARC LENGTH OF 108.85 FEET;
12. NORTH 76°28'28" EAST, 471.61 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 306.00 FEET;
13. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°56'08" AN ARC LENGTH OF 101.13 FEET;
14. NORTH 05°30'41" EAST, 114.50 FEET;
15. NORTH 05°56'38" WEST, 243.30 FEET TO THE SOUTHEAST CORNER OF LOT 93 OF SAID MAP;
16. ALONG THE SOUTH LINES OF LOTS 93, 92, AND 91 OF SAID MAP SOUTH 89°40'45" WEST, 150.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 91;
17. ALONG THE WEST LINE OF SAID LOT 91, NORTH 00°19'15" WEST, 100.00 FEET TO THE POINT OF BEGINNING.

Depiction of Leased Premises

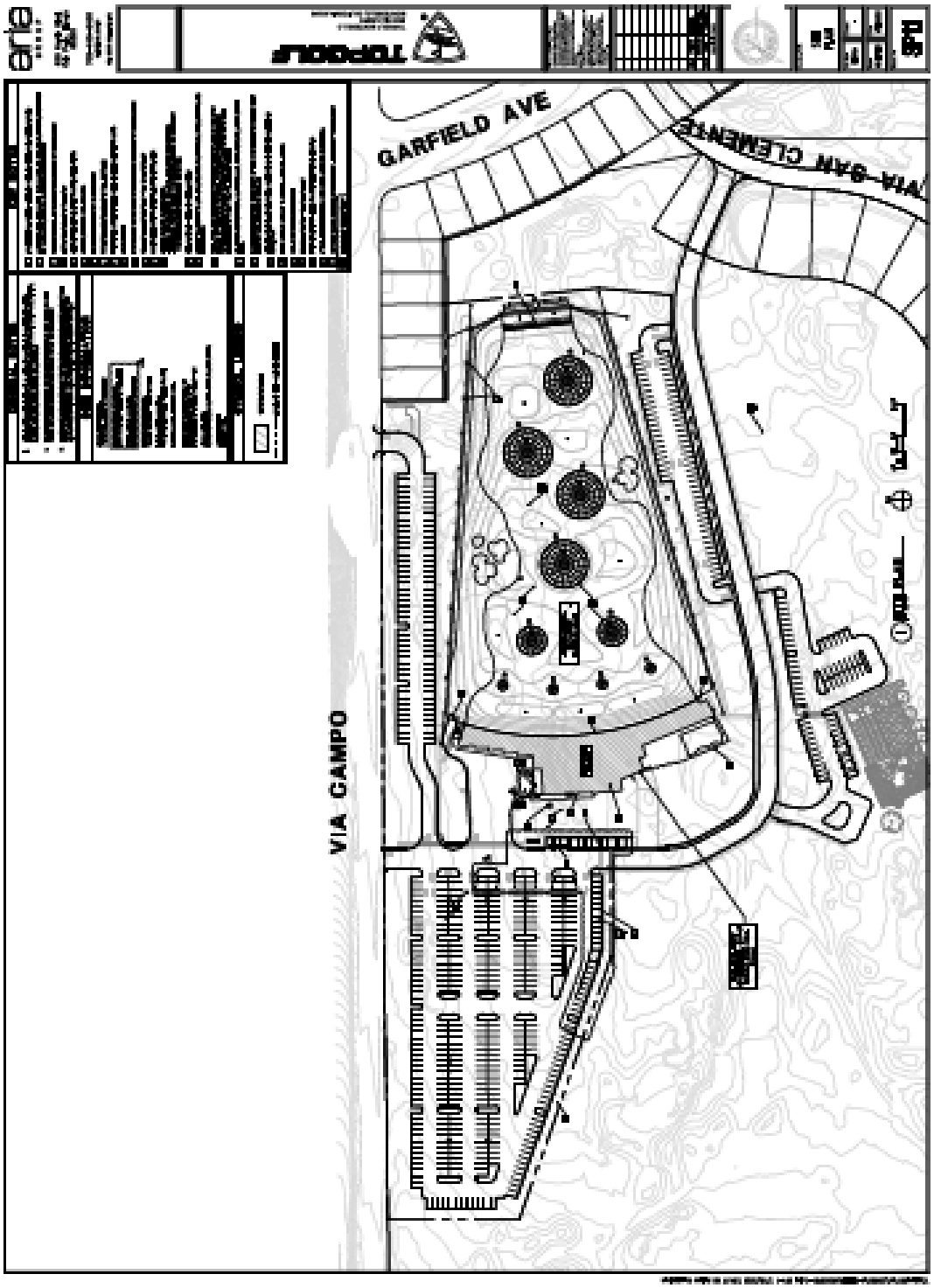


EXHIBIT A-1

Plans and Specifications

On file with the City's Engineering Department, located at 1600 W. Beverly Blvd, City of Montebello, CA, 90640, with the final Plans and Specifications dated _____, 2022.

EXHIBIT B

Description and Depiction of the Development



EXHIBIT C

Construction Budget

[TO BE ADDED]

EXHIBIT D

Material Terms of Development Declaration

The following list is only a representative list of material terms for the Development Declaration, and is not intended to be an exhaustive list of such terms:

- Access to Project via the Driveway – rights of Parties' to the Driveway.
- Use of detention pond and storm drain facilities
- Use of the Parking Lot – rights of Parties' regarding the parking lot on the western portion of the Project ("***Parking Lot***").
- Use of off-site signage and easements related thereto
- Exclusivity
- Landscaping and irrigation
- List of Common Facilities
- Landlord obligation to maintain Common Facilities
- Landlord obligation to maintain all properties within the Development as first-class property and not to sell or lease to deep discount, bargain, fire sale or thrift business, or a business of a sexually oriented nature, per Section 8.6
- Common Facilities Expense and any other common area maintenance costs
- Landlord shall not enter into, amend, or provide a waiver under any license, easement, declaration, reciprocal easement agreement, or similar agreement that affects the Leased Premises without Tenant's prior written consent
- Landlord hereby grants Tenant the right to enforce on its behalf the cross-easement rights, operating covenants and other rights benefitting the Leased Premises which are contained in any license, easement, declaration, reciprocal easement agreement, or similar agreement that affects the Leased Premises.
- Landlord shall promptly provide to Tenant a copy of any notice of default or notice of termination received by Landlord in connection with any license, easement, declaration, reciprocal easement agreement, or similar agreement that affects the Leased Premises

EXHIBIT E

Common Facilities

Improvement	Construction/Cost Responsibility	Maintenance Cost Responsibility
• Street Improvements and Streetscape	Landlord	Landlord 100%
• Irrigation for landscaping	Landlord	Landlord 100%
• Storm Drain Detention Facilities on TG Parcel	Landlord 20% Topgolf 80%	Topgolf 100%
• Storm Drain Detention Facilities off-site	Landlord	Landlord 100%

EXHIBIT F

Memorandum of Lease

AFTER RECORDING, RETURN TO:

_____
_____
_____
_____

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made and entered into by and between _____, a _____ ("Landlord"), and Topgolf USA _____, LLC, a Delaware limited liability company ("Tenant") to be effective as of the latest date set forth next to the signature blocks below (the "Effective Date").

RECITALS

Landlord leases to Tenant, and Tenant leases from Landlord, that certain real property (the "Leased Premises") located in the City of Montebello, Los Angeles County, California and more particularly described on **Exhibit A-1** and depicted on **Exhibit A-2** together with the non-exclusive use of all rights, privileges, easements, and appurtenances belonging or in any way pertaining thereto, and together with any building or other improvements erected and/or to be erected thereon, TO HAVE AND TO HOLD the same for an Initial Fixed Term of twenty (20) years (commencing as provided in the Lease described hereafter), with thirteen (13) renewal terms of five (5) years each, all pursuant and subject to the terms, conditions, and stipulations contained in that certain Sublease dated as of the Effective Date, as that term is defined therein (the "Lease") by and between Landlord and Tenant, to which reference is made for all purposes of which it is intended hereby to give notice.

Easement. [Insert Paragraph _____ upon final negotiation of Lease]

Permitted Use. [Insert Paragraph _____ upon final negotiation of Lease]

Exclusive Use. [Insert Paragraph_____ upon final negotiation of Lease]

Capitalized terms used in this Memorandum of Lease shall have the meanings ascribed to such terms in the Lease unless otherwise expressly defined herein.

This Memorandum of Lease is not intended to alter or supersede the Lease, and in the event of any conflict between this Memorandum of Lease and the Lease, the provisions of the Lease shall control.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease to be effective as of the latest of the dates set forth below (previously defined as the "Effective Date").

LANDLORD:

CITY OF MONTEBELLO

Date:_____

By: _____
City Manager

ATTEST:
By: _____
City Clerk

Approved as to form:

By: _____
City Attorney

TENANT:

Topgolf USA MB, LLC,
a Delaware limited liability company

Date:_____

By:_____
Name:_____
Its:_____

Landlord's Address: _____
_____
_____
Attn: _____

Tenant's Address: Topgolf USA MB, LLC
8750 N. Central Expressway
Suite 1200
Dallas, TX 75231

Attention: Legal Dept.

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this ___ day of _____, 20_, by _____, _____, of _____, a _____, on behalf of said entity.

_____
NOTARY PUBLIC, STATE OF _____

My Commission Expires:

_____

STATE OF _____§
§
COUNTY OF _____§

This instrument was acknowledged before me on this ___ day of _____, 20_, by _____, the _____ of _____, a Delaware corporation, on behalf of said limited liability company.

_____
NOTARY PUBLIC, STATE OF _____

My Commission Expires:

_____

EXHIBIT A-1
(to Memorandum of Lease)

Legal Description

EXHIBIT A-2
(to Memorandum of Lease)

Site Plan

EXHIBIT G

Memorandum of Term Commencement

AFTER RECORDING, RETURN TO:

_____
_____
_____
_____

MEMORANDUM OF TERM COMMENCEMENT

THIS MEMORANDUM OF TERM COMMENCEMENT (the "***Memorandum***") is made as of the_____ day of _____, 20__, by and between the City of Montebello, a California general law city, ("***Landlord***") and Topgolf USA MB, LLC, a Delaware limited liability company ("***Tenant***").

AGREEMENT

1. Pursuant to that certain Sublease dated as of _____, 20___ (the "***Lease***"), between Landlord and Tenant, Landlord leased to Tenant and Tenant leased from Landlord certain premises located on certain real property in the City of Montebello, California, as more particularly described in the Lease (the "***Premises***").

2. The Lease is for an initial term of twenty (20) years commencing on _____, 20____ and expiring on _____, 20_____ (the "***Expiration Date***"), unless extended in accordance with the Lease.

3. All of the other terms and conditions of the Lease are more fully set forth in the Lease and are incorporated herein by this reference.

4. This Memorandum shall inure to the benefit of and be binding upon Landlord and Tenant and their respective representatives, successors and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Term Commencement to be duly executed as of the day and year first above written.

LANDLORD:	**TENANT:**
_____, a _____	Topgolf USA MB, LLC, a Delaware, LLC
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT H

GUARANTY

FORM OF RENT GUARANTY

THIS GUARANTY OF LEASE (this "**Guaranty**") is made as of _____, 2022, by **TOPGOLF INTERNATIONAL INC., a Delaware corporation** (the "**Guarantor**"), whose address is as set forth in Section 15 hereof, in favor of **CITY OF MONTEBELLO, a California municipal corporation,** and its successor and assigns ("**Landlord**").

WHEREAS, Landlord and **TOP GOLF USA MB, LLC, a Delaware limited liability company** ("**Tenant**") desire to enter into that certain Sublease dated as of _____ 1, 2022 (the "**Lease**"), the terms and conditions of which Lease are hereby incorporated by reference, concerning approximately ____ [acres/square feet] of land and improvements thereon located adjacent to the Montebello Municipal Golf Course (the "**Premises**"); and

WHEREAS, Guarantor has a financial interest in the Tenant; and

WHEREAS, Landlord would not execute the Lease if Guarantor did not execute and deliver to Landlord this Guaranty.

NOW, THEREFORE, for and in consideration of the execution of the foregoing Lease by Landlord and as a material inducement to Landlord to execute said Lease, Guarantor hereby jointly, severally, absolutely, presently, continually, unconditionally and irrevocably guarantees to Landlord and Landlord's successors and assigns the prompt payment by Tenant of all rentals and other sums payable by Tenant under said Lease and the faithful and prompt performance by Tenant of each and every one of the other material terms, conditions and covenants of said Lease to be kept and performed by Tenant (collectively, the "**Obligations**"), for a term commencing on the effective date of the Lease and ending when all Obligations of the Tenant accruing during the Initial Fixed Term of the Lease (excluding any extensions thereof exercised by Tenant pursuant to Section 4.2 of the Lease).

Guarantor further agrees as follows:

1. It is specifically agreed and understood that the terms, covenants and conditions of the Lease may be altered, affected, modified, amended, compromised, released or otherwise changed by agreement between Landlord and Tenant or by course of conduct, and Guarantor does guaranty and promise to perform all of the obligations of Tenant under the Lease as so altered, affected, modified, amended, compromised, released or changed and the Lease may be assigned by or with the consent of Landlord or any assignee of Landlord without consent or notice to Guarantor and that this Guaranty shall thereupon and thereafter guaranty the performance of said Lease as so changed, modified, amended, compromised, released, altered or assigned.

2. This Guaranty shall not be released, modified or affected by failure or delay on the part of Landlord to enforce any of the rights or remedies of Landlord under the Lease, whether pursuant to the terms thereof or at law or in equity, or by any release of any person liable under the terms of the Lease (including, without limitation, Tenant) or any other guarantor, including without limitation, any other Guarantor named herein, from any liability with respect to Guarantor's obligations hereunder.

3. Guarantor's liability under this Guaranty shall continue until all Obligations which accrue during the Initial Fixed Term under the Lease have been paid in full in cash and until all other obligations to Landlord which accrue during the Initial Fixed Term under the Lease have been satisfied, and shall not be reduced by virtue of any payment by Tenant of any amount due under the Initial Fixed Term under the Lease. If all or any portion of Tenant's obligations under the Lease is paid or performed by Tenant, the obligations of Guarantor hereunder shall continue and remain in full force and effect in the event that all or any part of such payment(s) or performance(s) is avoided or recovered directly or indirectly from Landlord as a preference, fraudulent transfer or otherwise.

4. On request by Landlord from time to, Guarantor agrees to provide Landlord with a current balance sheet for Guarantor; provided, however, that Guarantor shall not be obligated to provide its balance sheet to Landlord more than twice each year. In addition, if Landlord requests a balance sheet as of the end of a fiscal quarter, Landlord agrees that Guarantor will have a minimum of sixty (60) days after the end of such fiscal quarter in which to provide the balance sheet. Finally, if Landlord requests a balance sheet as of the end of a fiscal year, Landlord agrees that Guarantor will have a minimum of ninety (90) days after the end of such fiscal year to provide the balance sheet. Guarantor's balance sheets financial statement are to be prepared in accordance with generally accepted accounting principles ("**GAAP**"). Guarantor represents and warrants that all such balance sheets shall be true and correct statements, in all material respects, of Guarantor's financial condition.

5. INTENTIONALLY DELETED

6. INTENTIONALLY DELETED

7. Guarantor warrants and represents to Landlord that Guarantor now has and will continue to have full and complete access to any and all information concerning the Lease, the value of the assets owned or to be acquired by Tenant, Tenant's financial status and its ability to pay and perform the obligations owed to Landlord under the Lease. Guarantor further warrants and represents that Guarantor has reviewed the Lease and is fully informed of the remedies Landlord may pursue against Tenant, in the event of an event of default under the Lease. So long as any of the Guarantor's obligations hereunder remains unsatisfied or owing to Landlord, Guarantor shall keep fully informed as to all aspects of Tenant's financial condition and the performance of said obligations.

8. Guarantor hereby covenants and agrees with Landlord that if an event of default shall at any time occur in the payment of any sums due under the Lease by Tenant during the Initial Fixed Term or in the performance of any other obligation of Tenant under the Lease during the Initial Fixed Term, Guarantor shall and will forthwith upon demand pay such sums and any arrears thereof, to Landlord in legal currency of the United States of America for payment of public and private debts, and take all other actions necessary to cure such event of default and perform such obligations of Tenant.

9. The liability of Guarantor under this Guaranty is a guaranty of payment and performance and not of collectability, and is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of the Lease or the pursuit by Landlord of any remedies which it now has or may hereafter have with respect thereto, at law, in equity or otherwise.

10. Guarantor has been advised of and hereby waives and agrees not to assert or take advantage of to the extent permitted by law: (i) all notices to Guarantor, to Tenant, or to any other person, including, but not limited to, the creation, renewal, extension, assignment, modification or accrual of any of the obligations owed to Landlord under the Lease and, except to the extent set forth in this Section 10, enforcement of any right or remedy with respect thereto, and notice of any other matters relating thereto; (ii) notice of acceptance of this Guaranty; (iii) demand of payment, presentation and protest; (iv) any right to require Landlord to apply to any default any security deposit or other security it may hold under the Lease; (v) any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof; (vi) any right or defense that may arise by reason of the incapability, lack of authority, death or disability of Tenant

or any other person; (vii) all principles or provisions of law which conflict with the terms of this Guaranty, and (viii) any other rights and defenses that are or may become available to Guarantor by reason of Sections 2787 through 2855, inclusive, of the California Civil Code. Guarantor agrees that Guarantor's obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

11. No notice of default need be given to Guarantor, it being specifically agreed and understood that the guarantee of the undersigned is a continuing guarantee throughout the Initial Fixed Term and under which Landlord may proceed forthwith and immediately against Tenant or against Guarantor following any breach or default by Tenant of its Obligations pursuant to or under the terms of the Lease during the Initial Fixed Term, after the passage of any applicable notice and cure periods under the terms of the Lease.

12. Guarantor agrees that Landlord may enforce this Guaranty without the necessity of proceeding against Tenant or any other guarantor. Guarantor hereby waives the right to require Landlord to proceed against Tenant, to proceed against any other guarantor, to exercise any right or remedy under the Lease or to pursue any other remedy or to enforce any other right. Guarantor may be joined in any action or proceeding commenced by Landlord against Tenant arising out of, in connection with, or based on the Lease.

13. Guarantor agrees that nothing contained herein shall prevent Landlord from suing on the Lease or from exercising any rights available to it thereunder during the Initial Fixed Term and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantor. Without limiting the generality of the foregoing, Guarantor has been advised of and hereby expressly waives any and all benefits under California Civil Code § § 2809, 2810, 2815, 2819, 2821, 2822, 2824, 2845, 2847, 2849, 2850, 2855, 2899 and 3433, and the second sentence of California Civil Code § 2822(a). In addition, Guarantor agrees that Landlord (not Tenant) shall have the right to designate the portion of Tenant's obligations under the Lease that is satisfied by a partial payment by Tenant.

(a) Guarantor agrees that Guarantor shall have no right of subrogation against Tenant or any right of contribution against any other guarantor unless and until all amounts due under the Lease which accrued during the Initial Fixed Term have been paid in full and all other obligations under the Lease which accrued during the Initial Fixed Term have been satisfied. Guarantor further agrees that, to the extent the waiver of Guarantor's rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against Tenant shall be junior and subordinate to any rights Landlord may have against Tenant, and any rights of contribution Guarantor may have against any other guarantor shall be junior and subordinate to any rights Landlord may have against such other guarantor.

(b) The obligations of Guarantor under this Guaranty shall not be altered, limited or affected by any case, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Tenant or any defense which Tenant may have by reason of order, decree or decision of any court or administrative body resulting from any such case. Landlord shall have the sole right to accept or reject any plan on behalf of Guarantor proposed in such case and to take any other action which Guarantor would be entitled to take, including, without limitation, the decision to file or not file a claim. Guarantor acknowledges and agrees that any payment which accrues with respect to Tenant's obligations under the Lease (including, without limitation, the payment of rent) which accrue during the Initial Fixed Term and after the commencement of any such proceeding (or, if any such payment ceases to accrue by operation of law by reason of the commencement of such proceeding, such payment as would have accrued if said proceedings had not been commenced) shall be included in Guarantor's obligations hereunder because it is the intention of the parties that said obligations should be determined without regard to any rule or law or order which may relieve Tenant of any of its obligations which accrue under the Lease during the Initial Term. Guarantor hereby permits any

trustee in bankruptcy, receiver, and debtor-in-possession, assignee for the benefit of creditors or similar person to pay Landlord, or allow the claim of Landlord in respect of, any such payment accruing during the Initial Fixed Term and after the date on which such proceeding is commenced. Guarantor hereby assigns to Landlord Guarantor's right to receive any payments from any trustee in bankruptcy, receiver, debtor-in-possession, assignee for the benefit of creditors or similar person by way of dividend, adequate protection payment or otherwise.

14. Guarantor hereby agrees to indemnify, protect, defend and hold Landlord harmless from and against, all losses, costs and expenses including, without limitation, all interest, default interest, post-petition bankruptcy interest and other post-petition obligations, late charges, court costs and attorneys' fees, which may be suffered or incurred by Landlord in enforcing or compromising any rights under this Guaranty or in enforcing or compromising the performance of Tenant's obligations under the Lease which accrue during the Initial Fixed Term.

15. All notices, consents, requests, approvals and authorizations (collectively, "*Notices*") required or permitted under this Guaranty shall only be effective if in writing. All Notices shall be sent (A) by registered or certified mail (return receipt requested), postage prepaid, or (B) by Federal Express, U.S. Post Office Express Mail, or similar nationally recognized overnight courier which delivers only upon signed receipt of the addressee, or (C) by e-mail with a copy sent within 24 hours in the manner provided in clause (B) above, and addressed as follows or at such other address, and to the attention of such other person, as the parties shall give notice as herein provided:

To Guarantor:

TOP GOLF INTERNATIONAL INC.
c/o Topgolf USA MB, LLC
8750 N. Central Expressway, Suite 1200
Dallas, Texas 75231
Attn: Legal Department
E-mail: DL-RELegal @topgolf.com

With copy to:

TOP GOLF INTERNATIONAL INC.
c/o Topgolf USA MB, LLC
8750 N. Central Expressway, Suite 1200
Dallas, Texas 75231
Attn: Jonathan Olsen, Esq.
E-mail: Jonathan.Olsen@topgolf.com

To Landlord:

City of Montebello – City Hall
1600 W. Beverly Blvd.,
Montebello, CA 90640
Attention: City Manager

With copy to:

Alvarez-Glassman & Colvin
13181 Crossroads Pkwy, North Tower, Suite 400
City of Industry, CA 91746
Attention: Arnold M. Alvarez-Glassman

16. INTENTIONALLY DELETED.

17. Guarantor represents and warrants to Landlord as follows:

(a) The execution, delivery and performance by Guarantor of this Guaranty have been duly authorized by all necessary corporate action.

(b) Guarantor has the full power, authority and legal right to execute and deliver, and to perform and observe the provisions of, this Guaranty including the payment of all moneys hereunder. This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms, except as enforcement thereof may be limited by (a) bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally or (b) the non-availability of equitable remedies which are discretionary with the courts.

(c) No consent of any other person, including, without limitation, any creditors of Guarantor, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by Guarantor in connection with this Guaranty or the execution, delivery, performance, validity or enforceability of this Guaranty and all obligations required hereunder. This Guaranty has been duly executed and delivered by Guarantor, and constitutes the legally valid and binding obligation of Guarantor enforceable against such Guarantor in accordance with its terms.

(d) The execution, delivery and performance of this Guaranty will not violate any provision of any existing law or regulation binding on Guarantor, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on Guarantor, or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which Guarantor is a party or by which Guarantor or any of Guarantor's assets may be bound, and will not result in, or require, the creation or imposition of any lien on any of Guarantor's property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract, or other agreement, instrument or undertaking.

(e) To the actual knowledge of the undersigned, all information and documentation provided by Tenant or Guarantor to Landlord regarding the financial condition of Guarantor is true, correct, complete, and not misleading in any material respect as of the date such information was provided to Landlord and as of the date hereof.

(f) Neither the execution or delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof, conflict or will conflict with or result in a breach of any of the terms, conditions or provisions of any law, order, writ, injunction or decree of any court or Governmental Authority, or of any agreement or instrument to which Guarantor is a party of by which it is bound, or constitutes or will constitute a default thereunder.

18. Except as set forth in Section 9.3 and further provisions of the Lease, this Guaranty shall be binding upon Guarantor, Guarantor's heirs, representatives, administrators, executors, successors and assigns and shall inure to the benefit of and shall be enforceable by Landlord, its successors, endorsees and assigns. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

19. The term "**Landlord**" whenever used herein refers to and means the Landlord specifically named in the Lease and also any assignee of said Landlord, whether by outright assignment or by assignment for security, and also any successor to the interest of said Landlord or of any assignee in the Lease or any part thereof, whether by assignment or otherwise.

20. The term "**Tenant**" whenever used herein refers to and means the Tenant in the Lease specifically named and also any assignee or sublessee of said Lease and also any successor to the interests of said Tenant, assignee or sublessee of such Lease or any part thereof, whether by assignment, sublease or otherwise.

21. In case suit is brought because of the breach of any agreement or obligation contained in this Guaranty, and a breach is established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorneys' fees.

22. Any action to declare or enforce any rights or obligations under this Guaranty may be commenced by Landlord in the Superior Court of the county in which the Premises is situated. Guarantor hereby consents to the jurisdiction of such court for such purposes and agrees that any notice, complaint or other legal process therein may be delivered to Guarantor in accordance with the above notice provisions and that any notice, complaint or other legal process so delivered shall constitute adequate notice and service of process for all purposes and shall subject Guarantor to the jurisdiction of such court for purposes of adjudicating any matter related to this Guaranty.

23. TO THE EXTENT ALLOWED BY APPLICABLE LAW, GUARANTOR AND LANDLORD HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM OR THEIR HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. If the jury waiver set forth in this section is not enforceable, then any claim or cause of action arising out of or relating to this Guaranty shall be resolved by judicial reference pursuant to Code of Civil Procedure Section 638 *et seq*. before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the Superior Court of the county in which the Premises is situated. This section shall not restrict Landlord from exercising pre-judgment remedies under applicable law.

24. This Guaranty shall be governed and construed in accordance with the laws of the State of California.

25. Every provision of this Guaranty is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

26. This Guaranty may be executed in any number of counterparts each of which shall be deemed an original and all of which shall constitute one and the same Guaranty with the same effect as if all parties had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty and re-attached to any other counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages.

27. No failure or delay on the part of Landlord to exercise any power, right or privilege under this Guaranty shall impair any such power, right or privilege, or be construed to be a waiver of any event of default or any acquiescence therein, nor shall any single or partial exercise of such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

28. This Guaranty shall constitute the entire agreement between Guarantor and the Landlord with respect to the subject matter hereof. No provision of this Guaranty or right of Landlord hereunder may be waived nor may Guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director or trustee of Landlord.

29. This Guaranty shall be deemed to be continuing in nature and shall remain in full force and effect and shall survive the exercise of any remedy by Landlord under the Lease; provided however, that this Guaranty shall automatically expire and be surrendered to Guarantor by Landlord at the expiration or earlier termination of the Initial Fixed Term or satisfaction of the requirements of Section 9.3 of the Lease, whichever occurs first.

30. The liability of Guarantor and all rights, powers and remedies of Landlord hereunder and under any other agreement now or at any time hereafter in force between Landlord and Guarantor relating to the Lease shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Landlord by law. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and Guarantor, hereby waives any covenants to the maximum extent permitted by law not to assert any defense in the nature of splitting of causes of action or merger of judgments.

[signatures follow on next page]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

TOPGOLF INTERNATIONAL INC., a Delaware corporation

By:_____
Name: _____
Title: _____

EXHIBIT I

Tenant's Property

[TO BE ADDED]

EXHIBIT J

Scope of Work

[TO BE ADDED]

EXHIBIT K

Construction Schedule

[TO BE ADDED]

EXHIBIT L

Base Rent Payment Schedule

Lease Years (Initial Fixed Term)	Base Rent
1	$1,150,000
2	$1,150,000
3	$1,150,000
4	$1,150,000
5	$1,150,000
6 –– 10	$1,250,000
11 – 15	$1,500,000
16-20	$1,650,000

Lease Years (Renewal Term(s))	Base Rent
21+	See escalator forumal in Section 6.2(c) of Lease

EXHIBIT M

Improvement Rent Payment Schedule

Improvement Rent Payment Schedule to be attached, and each installment of Improvement Rent shall be due and paid no later than ninety (90) days before the due date for Landlord's Lease Payments under the Facility Lease. Proposed payment dates: each February 1 and August 1 during the Initial Fixed Term, starting August 1, 2024

RECORDING REQUESTED BY:
Montebello Public Financing Authority

AND WHEN RECORDED RETURN TO:
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Vanessa S. Legbandt, Esq.

[Space above for Recorder's use.]

This Assignment Agreement is recorded for the benefit of the City of Montebello and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 (a)(2)(D) and (d)(2) of the California Government Code.

ASSIGNMENT AGREEMENT

by and between

MONTEBELLO PUBLIC FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of _____ 1, 2022

Relating to

$_____
MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Assignment Agreement"), executed and entered into as of _____ 1, 2022, is by and between the MONTEBELLO PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the City of Montebello (the "City") and the Authority desire to finance the costs of the acquisition, construction and/or installation of a sports, entertainment and recreation facility including restaurant, bar, retail areas, and an indoor-outdoor driving range facility that is initially anticipated to be operated as a Topgolf-branded entertainment facility in the City (the "Project"), together with certain infrastructure benefiting the Project;

WHEREAS, in order to finance the Project, the City will lease certain real property and the improvements located thereon to the Authority pursuant to a Site Lease, dated concurrently herewith, and the City will sublease the Site (as defined in the Facility Lease (defined below)) back from the Authority pursuant to a Facility Lease, dated concurrently herewith;

WHEREAS, the Site is more particularly described in Exhibit A hereto;

WHEREAS, under the Facility Lease, the City is obligated to make Lease Payments (as defined in the Facility Lease) to the Authority;

WHEREAS, during the period of time that the Bonds are outstanding, the Project will be operated and maintained by Topgolf USA MB, LLC, a Delaware limited liability company ("Topgolf") under a lease agreement with the City in accordance with, *inter alia*, Section 37396 of the Government Code;

WHEREAS, to set forth the rights and obligations of Topgolf with respect to the Project, the City and Topgolf will enter into a Sublease (the "Sublease") pursuant to which the City will lease the Facility to Topgolf, and Topgolf will pay Base Rent to the City to compensate for the fair market value of the leased space and Improvement Rent that will be used to make the Lease Payments under the Facility Lease (each as further defined in the Sublease);

WHEREAS, the Improvement Rent (as defined in the Sublease) payable by Topgolf to the City pursuant to the terms of the Sublease is intended to be sufficient in time and amount to enable the City to make Lease Payments when due under the Facility Lease;

WHEREAS, the Authority desires to assign without recourse certain of its rights in the Facility Lease, including its right to receive the Lease Payments, to the Trustee for the benefit of the owners of bonds (the "Bonds") to be issued pursuant to the Indenture, dated as of the date hereof (as supplemented from time to time in accordance with the terms thereof, the "Indenture"), by and among the Authority, the City and the Trustee;

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 entering into of this Assignment Agreement 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 Assignment Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Assignment. The Authority, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Bonds, all of its right, title and interest in and to the Facility Lease including, without limitation, its right to receive the Lease Payments to be paid by the City under and pursuant to the Facility Lease; provided, however, that the Authority shall retain its obligations under the Facility Lease, the rights to indemnification, to give approvals and consents under the Facility Lease and to payment or reimbursement of its reasonable costs and expenses under the Facility Lease.

Section 2. Acceptance. The Trustee hereby accepts the foregoing assignment, subject to the terms and provisions of the Indenture, and all such Lease Payments shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Facility Lease and the Indenture.

Section 3. Conditions. This Assignment Agreement shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture.

Section 4. Further Assurances. The Authority shall 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 Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Bonds, the rights intended to be conveyed pursuant hereto.

Section 5. Governing Law. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY THE PROVISIONS HEREOF AND BY THE LAWS OF THE STATE OF CALIFORNIA AS THE SAME FROM TIME TO TIME EXIST.

Section 6. Execution. This Assignment Agreement 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 Assignment Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above-written.

MONTEBELLO PUBLIC
FINANCING AUTHORITY

By: _____

Executive Director

ATTEST:

_____

Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____

Authorized Officer

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, _____, Notary Public,

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

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

WITNESS my hand and official seal

_____
SIGNATURE OF NOTARY PUBLIC

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

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

WITNESS my hand and official seal

_____
SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

DESCRIPTION OF THE SITE

All that certain real property situated in the City of Montebello, County of Los Angeles, State of California, described as follows:

$_____
MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

BOND PURCHASE AGREEMENT

_____, 2022

Montebello Public Financing Authority
1600 W. Beverly Boulevard
Montebello, CA 90640

City of Montebello
1600 W. Beverly Boulevard
Montebello, CA 90640

Ladies and Gentlemen:

The undersigned Cabrera Capital Markets, LLC (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Montebello Financing Authority (the "Authority") and the City of Montebello, California (the "City"), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 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 Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable) (the "Bonds") in the aggregate principal amount of $_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on May 1 and November 1 in each year, commencing May 1, 2023 (each an "Interest Payment Date") and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (which represents the principal amount of the Bonds in the amount of $_____, plus original issue premium in the amount of $_____, less an Underwriter's discount of $_____).

The City and Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the City, the Authority 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 a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); and (iv) the City and the Authority have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate.

Section 2. The Bonds. The Bonds shall be secured by Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Debt Service Fund, the Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund (all as defined in the Indenture, dated as of _____ 1, 2022 (the "Indenture"), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee")). Revenues consist primarily of certain lease payments (the "Lease Payments") to be paid by the City pursuant to the Facility Lease, dated as of _____ 1, 2022 (the "Facility Lease"), by and between the Authority and the City. The Authority's right to receive the Lease Payments due under the Facility Lease and to exercise remedies upon default under such Facility Lease shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to an Assignment Agreement, dated as of _____ 1, 2022 (the "Assignment Agreement"), by and between the Authority and the Trustee.

Section 3. Public Offering. The Underwriter agrees to make a *bona fide* initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. The Official Statement. By their acceptance of this Purchase Agreement, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _____, 2022 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement") that authorized officers of the City and the Authority deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the "Official Statement")) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

Section 5. Closing. At 8:30 a.m., California time, on _____, 2022, or at such other time or date as the Authority, the City and the Underwriter mutually agree upon, the Authority shall

deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York New York ("DTC"), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City shall deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel") or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the "Closing."

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of $5,000 and any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is and will be at the date of Closing a joint exercise of powers authority organized and existing under the laws of the State of California (the "State"), including Section 6500 *et seq.* of the Government Code of the State of California (the "JPA Act") with all necessary power and authority to enter into and perform its duties under the Site Lease, dated as of _____ 1, 2022 (the "Site Lease"), by and between the City and the Authority, the Facility Lease, the Indenture, the Assignment Agreement, and this Purchase Agreement (collectively, the "Authority Documents").

(b) The Authority has complied with all filing requirements of the JPA Act.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained, in the Authority Documents. When executed and delivered, each Authority Document will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(d) Prior to the date hereof, the Authority has provided to the Underwriter for its review the Preliminary Official Statement that an authorized officer of the Authority has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements

therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(e) The execution and delivery by the Authority of the Authority Documents and the approval and execution by the Authority of the Official Statement and compliance with the provisions on the Authority's part contained in the Authority Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the Authority to carry out its obligations under the Authority Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(g) The Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been served or, to the best knowledge of the officers of the Authority, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Authority to enter into the Authority Documents or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any 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, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iii) of this sentence.

(i) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

(j) The Authority will apply the proceeds of the Bonds in accordance with the Indenture.

Section 7. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is and will be at the date of Closing a municipal corporation and general law city duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Continuing Disclosure Certificate relating to the Bonds (the "Continuing Disclosure Certificate"), the Site Lease, the Facility Lease, the Indenture, the Sublease dated as of _____, 2022 (the "Sublease"), by and between Topgolf USA MB, LLC ("Topgolf Montebello") and the City, and this Purchase Agreement (collectively, the "City Documents" and, together with the Authority Documents, the "Legal Documents") and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the City Documents. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(c) The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading.

(d) The execution and delivery by the City of the City Documents and the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the City Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry

out its obligations under the City Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(e) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(g) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2021 as set forth in the Official Statement fairly represent the receipts, expenditures and cash balances of the General Fund. Except as disclosed in the Preliminary Official Statement, 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 General Fund or in its operations since June 30, 2021 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the power of the City to enter into the City Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Base Rental Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any 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, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(i) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to the Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(j) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

(k) As of the date hereof, the City does not have any material obligations secured by payments from the General Fund of the City, except as disclosed in the Official Statement.

(l) The exceptions set forth in the title insurance policy for the Facility insuring, subject only to Permitted Encumbrances, the fee interest of the City in the Facility, the Authority's leasehold estate in the Facility under the Site Lease, and the City's leasehold estate in the Facility under the Facility Lease, do not materially impair the use of the Facility, the existing facilities and the sites thereof for the purposes for which they are or may reasonably be expected to be held.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel, Disclosure Counsel and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Authority Documents, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to make the Base Rental Payments;

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as

amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions 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 Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the final Official Statement (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(h) or Section 7(h);

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) all resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the Authority Documents and the Official Statement;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the Guaranty of Lease (the "Guaranty") executed by Topgolf International Inc. ("Topgolf International") in favor of the City, in substantially the form approved by the City and the Underwriter;

(v) the [Construction Contract], dated _____, 2022 (the "Construction Contract"), by and between _____ (the "Contractor") and the City;

(vi) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority and the City, in substantially the form attached as Appendix D to the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(vii) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE SERIES 2022B BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS," and "TAX MATTERS," and in APPENDIX B – "SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS" and APPENDIX D – "PROPOSED FORM OF BOND COUNSEL OPINION," and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Site Lease, the Facility Lease, the Assignment Agreement, the Indenture, and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing.

(B) the Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City and is the valid, legal and binding agreement of the Authority and the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(viii) the Official Statement, executed on behalf of the Authority and the City;

(ix) evidence that the Bonds have received an underlying rating of "___" by S&P Global Ratings;

(x) a certificate, dated the date of Closing, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument;

(xi) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan

agreement, indenture, bond, note, resolution, agreement (including but not limited to the Facility Lease) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Official Statement;

(xii) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and Bond Counsel, of the Office of the City Attorney of the City, as Counsel to the Authority, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the best of such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Facility Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority;

(D) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xiii) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City, to the effect that:

(A) the City is a municipal corporation and a general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Facility Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents;

(D) the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the City

Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xiv) an opinion of Quint & Thimmig LLP, Larkspur, California, Disclosure Counsel to the Authority and the City dated the date of Closing and addressed to the Authority, the City, the Underwriter in the form set forth in Exhibit C;

(xv) an opinion of counsel to the Trustee, addressed to the Underwriter and the Authority, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture;

(B) the Indenture and the Assignment Agreement (together, the "Trustee Documents") have each been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trustee Documents constitute the valid, legal and binding obligations of the Trustee enforceable in accordance with their 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;

(C) the Trustee has duly authenticated the Bonds upon the order of Authority;

(D) the Trustee's actions in executing and delivering the Trustee Documents are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trustee Documents; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trustee Documents.

(xvi) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trustee Documents;

(B) the Trustee is duly authorized to enter into the Trustee Documents and has duly executed and delivered the Trustee Documents, and assuming due authorization and execution by the other parties thereto, the Trustee Documents are legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trustee Documents; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trustee Documents.

(xvii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xviii) a copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xix) the tax and nonarbitrage certificate by the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel, the Underwriter and Nixon Peabody LLP ("Underwriter's Counsel");

(xx) a title policy in form and substance acceptable to Bond Counsel, the Underwriter and Underwriter's Counsel;

(xxi) an opinion of Underwriter's Counsel in form and substance acceptable to the Underwriter;

(xxii) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the City;

(xxiii) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the Authority;

(xxiv) a Letter of Representations from Topgolf International Inc. ("Topgolf International"), dated the Closing Date, substantially in the form attached hereto as Exhibit B;

(xxv) an opinion letter of one more counsel to Topgolf International and Topgolf Montebello, addressed to the City and the Underwriter, containing the substance of the opinions set forth in Exhibit D, as approved by the City and the Underwriter;

(xxvi) an opinion letter of counsel to the Contractor as to the enforceability of the Construction Contract against the Contractor in the form approved by the City and the Underwriter;

(xxvii) a certified copies of the Joint Exercise of Powers Agreement establishing the Authority, and all amendments thereto, and related certificates issued by the Secretary of State of the State; and

(xxviii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

Section 9. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that 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 purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 10. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the Authority shall pay, or cause the City to pay, out of the proceeds of the Bonds or any other legally available funds of the City or the Authority, all expenses incidental to the performance of the Authority's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter; the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities; the fees and disbursements of the Authority, the Trustee and its counsel, Bond Counsel, Authority Counsel, the City Attorney, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City or the Authority in connection with the issuance and sale of the Bonds; rating agency fees; advertising expenses; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred

in connection with the issuance and sale of the Bonds. The Authority shall pay, or cause the City to pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's or the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set for herein, the Authority shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the cost of preparing this Purchase Contract and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Cabrera Capital Markets, LLC 10 S. LaSalle St., #1050, Chicago, IL 60603, Attention: Brian Corley. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing 44933 Fern Avenue, Montebello, CA 9640, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Montebello, 1600 W. Beverly Boulevard, Montebello, CA 90640, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

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

Section 13. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

Section 14. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

CABRERA CAPITAL MARKETS, LLC

By: _____
Authorized Signatory

Accepted:

MONTEBELLO PUBLIC FINANCING AUTHORITY

By: _____
Authorized Signatory

Time of Execution: ____:____

Accepted:

CITY OF MONTEBELLO

By: _____
Authorized Signatory

Time of Execution: ____:____

EXHIBIT A

MATURITY SCHEDULE

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield

* Yield to optional redemption date of _____ at par.

EXHIBIT B

$_____
MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(TOPGOLF PROJECT)
(FEDERALLY TAXABLE)

FORM OF TOPGOLF LETTER OF REPRESENTATIONS

_____, 2022

City of Montebello
1600 W. Beverly Boulevard
Montebello, California 90640

Cabrera Capital Markets, LLC
10 S. LaSalle Street #1050
Chicago, Illinois 60603

Ladies and Gentlemen:

Reference is made to the Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable) (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Bond Purchase Agreement"). This Letter of Representations (the "Letter of Representations") is delivered pursuant to and in satisfaction of Section _____ of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement or the Official Statement relating to the Bonds dated _____ (the "Official Statement").

The undersigned (the "Authorized Officer"), [Title] of [Topgolf International Inc.] ("Topgolf International"), is familiar with the facts herein certified and is authorized and qualified to execute this Letter of Representations on behalf of and as an authorized officer of Topgolf International, and the undersigned further certifies as follows:

1. Topgolf International is duly organized and validly existing under the laws of the State of _____ and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations and (ii) to execute and deliver the [Name of Guaranty], dated _____, 2022 (the "Guaranty").

2. Topgolf USA MB, LLC ("Topgolf Montebello") is duly organized and validly existing under the laws of the State of Delaware and is duly authorized to transact business in the State of California and has all requisite right, power and authority to execute and deliver the Sublease Agreement, dated as of _____, 2022 (the "Sublease"), by and between the City and Topgolf, and (ii) to perform its obligations under the Sublease.

3. Except as set forth in the Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, or public board or

body is pending against Topgolf International or Topgolf Montebello (with proper service of process to Topgolf International or Topgolf Montebello having been accomplished) or, to the Actual Knowledge of Topgolf International,[1] is pending against any current Affiliate[2] (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of Topgolf International is threatened in writing against Topgolf International, Topgolf Montebello or any such Affiliate to restrain or enjoin the development of the Project as described in the Official Statement.

4. As of the date of the Official Statement, to the Actual Knowledge of Topgolf International, the information contained therein solely with respect to Topgolf International, Topgolf Montebello, its Affiliates, the proposed development of the Project, Topgolf International, Topgolf Montebello or its Affiliates' financing plan, and contractual arrangements of Topgolf International, Topgolf Montebello or any Affiliates as set forth under the section of the Official Statement captioned "THE PROJECT," (excluding therefrom in all cases information regarding which is identified as having been provided by a source other than Topgolf International), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Topgolf consents to the issuance of the Bonds. Topgolf acknowledges and agrees that the proceeds of the Bonds will be used as described in the Official Statement.

6. Based upon the current development plans, including, without limitation, the current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Official Statement under the section entitled "RISK FACTORS," Topgolf Montebello presently anticipates that it will have sufficient funds to complete the development of the Project as described in the Official Statement and does not anticipate that the Authority will be required to resort to a draw on the Reserve Fund

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[1] "Actual Knowledge of Topgolf International" means the knowledge that the Authorized Officer currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of Topgolf International and its Affiliates as the Authorized Officer has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the Authorized Officer and which the Authorized Officer has reasonably deemed necessary for the Authorized Officer to obtain knowledge of the matters set forth in this Letter of Representations.

[2] "Affiliate" means, with respect to Topgolf International, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with Topgolf International, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Project and investment decision regarding the Bonds. "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "control" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

for payment of principal of or interest on the Bonds due to Topgolf Montebello's nonpayment of Improvement Rent.

7. Solely as to the limited information described in Paragraph 4 above concerning Topgolf International, Topgolf Montebello, its Affiliates, the proposed development of the Project, Topgolf International, Topgolf Montebello or its Affiliates' financing plan, and contractual arrangements of Topgolf International, Topgolf Montebello or any Affiliates as set forth under the section of the Official Statement captioned "THE PROJECT," (excluding therefrom in all cases information regarding which is identified as having been provided by a source other than Topgolf International), Topgolf International agrees to indemnify and hold harmless, to the extent permitted by law, the City and the Underwriter, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each, an "Indemnified Party" and, collectively, the "Indemnified Parties"), 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 and shall reimburse any such Indemnified Party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact by Topgolf International in the above-referenced information in the Official Statement, as of its date, necessary to make the statements made by Topgolf International contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which Topgolf International may otherwise have to any Indemnified Party, *provided* that in no event shall Topgolf International be obligated for double indemnification, or for the negligence and willful misconduct of an Indemnified Party.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Indemnified Party in respect of which indemnification may be sought pursuant to the above paragraph, such Indemnified Party shall promptly notify Topgolf International in writing; provided that the failure to notify Topgolf International shall not relieve it from any liability that it may have hereunder except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify Topgolf International shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under the above paragraph. If any such proceeding shall be brought or asserted against an Indemnified Party and it shall have notified Topgolf International thereof, Topgolf International shall retain counsel reasonably satisfactory to the Indemnified Party (who shall not, without the consent of the Indemnified Party, be counsel to Topgolf International) to represent the Indemnified Party in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) Topgolf International and the Indemnified Party shall have mutually agreed to the contrary; (ii) Topgolf International has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to Topgolf International; or (iv) the named parties in any such proceeding (including any impleaded parties) include both Topgolf International and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing

interest between them. It is understood and agreed that Topgolf International shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm for all Indemnified Parties, and that all such fees and expenses, to the extent reasonable, shall be paid or reimbursed as they are incurred. Any such separate firm shall be designated in writing by such Indemnified Parties. Topgolf International shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, Topgolf International agrees to indemnify each Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested that Topgolf International reimburse the Indemnified Party for fees and expenses of counsel as contemplated by this paragraph, Topgolf International shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by Topgolf International of such request and (ii) Topgolf International shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement (provided that the foregoing shall not be applicable to any failure to reimburse if Topgolf International is disputing such payment in good faith and shall have paid any amounts not in dispute). Topgolf International shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

8. For the period through 25 days after the "End of the Underwriting Period" as defined in the Bond Purchase Agreement, if any event relating to or affecting Topgolf International, Topgolf Montebello, its Affiliates, the proposed development of the Project, Topgolf International, Topgolf Montebello or its Affiliates' financing plan, and contractual arrangements of Topgolf International, Topgolf Montebello or any Affiliates as set forth under the section of the Official Statement captioned "THE PROJECT," (excluding therefrom in all cases information regarding which is identified as having been provided by a source other than Topgolf International) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City, 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 was delivered to a purchaser, Topgolf International shall reasonably cooperate with the City and the Underwriter in the preparation and publication of a supplement or amendment to the Official Statement, in form and substance satisfactory to the Underwriter and counsel to the City 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.

9. Topgolf International has reviewed the contents of this Letter of Representations and has conferred with counsel to Topgolf International for the purpose of discussing the meaning of the contents of this Letter of Representations. Topgolf International acknowledges and understands that a variety of state and federal securities laws, including, but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to Topgolf International and that under some

circumstances, certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of Topgolf International under such securities laws.

TOPGOLF INTERNATIONAL INC.,
a _____ Corporation

By: _____
Title:
Name:

EXHIBIT C

FORM OF DISCLOSURE COUNSEL OPINION

_____, 2022

Montebello Financing Authority
Montebello, CA

City of Montebello
Montebello, CA

Cabrera Capital Markets, LLC
Chicago, IL

Re: $_____ Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable)

Ladies and Gentlemen:

We have acted as disclosure counsel to the Montebello Public Financing Authority (the "Authority") and the City of Montebello (the "City") in connection with the issuance by the Authority of $_____ aggregate principal amount of the bonds of the Authority designated the "Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable)" (the "Bonds"), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), an Indenture, dated as of _____ 1, 2022 (collectively, the "Indenture"), by and among the Authority, the City of Montebello and The Bank of New York Mellon Trust Company, N.A., as trustee, and a resolution of the governing body of the Authority adopted on _____, 2022. The Bonds are secured by Revenues being (i) all payments to the Trustee (as assignee of the Authority) pursuant to a Facility Lease, dated as of _____ 1, 2022, by and between the Authority and the City (collectively, the "Lease"), the components of which are described in the Indenture, to be paid by the City; and (ii) all amounts held in certain funds and accounts created under the Indenture, together with earnings thereon.

This letter is being delivered by us in our capacity as disclosure counsel to the Authority and the City and not as counsel to any other addressee hereof. Capitalized terms used in this letter and not otherwise defined herein have the meanings given to them in the Indenture.

In connection with this letter, we have reviewed the Indenture, the Preliminary Official Statement, dated _____, 2022 (the "Preliminary Official Statement") and the Official Statement, dated _____, 2022 (the "Official Statement"), which describe the Bonds, the Indenture, the Lease, and such other records, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed. In arriving at the conclusions expressed below, we are not expressing any opinion or view on, and with your permission are assuming, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds and the exclusion of interest with respect thereto from gross income for federal income tax purposes). We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, we advise that the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

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 and 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 Authority 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 the second preceding paragraph, 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 respective dates 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 CUSP 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 the Depository Trust Company and its book entry system for the Bonds 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 Bonds and the rating agency referenced in the Preliminary Official Statement and the Official Statement, and (vii) compliance by the City with its obligations to provide notices of the events described in Part (b)(5)(i)(C) of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") or to file annual reports described in Part (b)(5)(i)(A) of the Rule, which compliance we have not reviewed pursuant to your direction).

During the period from the dates of the Preliminary Official Statement and the Official Statement to the date of this letter, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement. We also advise you that the preceding paragraph is not an opinion but, rather, in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel to the Authority and the City. The scope of those activities performed by us for purposes of delivering this letter were inherently limited and do not purport to encompass all activities necessary for compliance with applicable securities laws. In addition, the performance of those activities by us required our reliance upon third-party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the Authority and the City, and are otherwise subject to the conditions set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Very truly yours,

EXHIBIT D

FORM OF TOPGOLF COUNSEL OPINION

One or more letters of counsel to Topgolf International/Topgolf Montebello, which may be in-house counsel or an outside law firm engaged by Topgolf International/Topgolf Montebello in connection with the issuance of the Bonds, or both, collectively to the effect that:

1. Topgolf Montebello is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and is in good standing and qualified to transact business as a foreign limited liability company in the State of California.

2. Topgolf Montebello has the requisite authority to execute the Sublease and to perform its obligations thereunder.

3. The execution and delivery by Topgolf Montebello of the Sublease have been duly and validly authorized by all necessary action by Topgolf Montebello.

4. Topgolf International has the requisite authority to execute the Guaranty and to perform its obligations thereunder.

5. The execution and delivery by Topgolf International of the Guaranty have been duly and validly authorized by all necessary action by Topgolf International.

6. The Sublease has been duly executed and delivered by Topgolf Montebello, and assuming due authorization and execution by the other party thereto, constitutes the valid and legally binding obligations of Topgolf Montebello, enforceable by and against Topgolf Montebello in accordance with the terms thereof, subject to the following qualifications:

(i) The effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other similar laws now or hereafter in effect relating to or affecting the rights of creditors generally.

(ii) The effect and limitations applicable to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity); and

(iii) The effect of California statutes and rules of law that cannot be waived prospectively by a party.

7. The Guaranty has been duly executed and delivered by Topgolf International, and constitutes the valid and legally binding obligations of Topgolf International, enforceable by and against Topgolf International in accordance with the terms thereof, subject to the following qualifications:

(i) The effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other similar laws now or hereafter in effect relating to or affecting the rights of creditors generally.

(ii) The effect and limitations applicable to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity); and

(iii) The effect of California statutes and rules of law that cannot be waived prospectively by a party.

8. There is no litigation or other claim pending before any court or administrative or other governmental body or threatened in writing against Topgolf Montebello which would materially and adversely affect the ability of Topgolf Montebello to complete the planned acquisition, development and management of the Project described in the Official Statement, or the ability of Topgolf Montebello to pay the Improvement Payments under the Sublease.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2022

NEW ISSUE—BOOK-ENTRY

RATING:
S&P: "A"
See "RATING" herein.

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Series 2022B Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Series 2022B Bonds.

$_____*
MONTEBELLO PUBLIC FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022B
(Topgolf Project)
(Federally Taxable)

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

The Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable) (the "Series 2022B Bonds") are payable from Lease payments (the "Lease Payments") to be made by the City of Montebello (the "City") for the right to use certain City-owned property as described herein (the "Property") pursuant to a facility lease, dated as of October 1, 2022 (the "Facility Lease"), by and between Montebello Public Financing Authority (the "Authority"), as lessor, and the City, as lessee. See "THE SERIES 2022B BONDS" herein.

The Series 2022B Bonds are being issued to provide funds to (i) finance the costs of a driving range entertainment venue to be built and operated by Topgolf USA MB, LLC ("Topgolf Montebello"), (ii) fund capitalized interest on the Series 2022B Bonds through _____, (iii) fund a debt service reserve fund for the Series 2022B Bonds, and (iv) pay the costs incurred in connection with the issuance of the Series 2022B Bonds. See "SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

The City will covenant under the Facility Lease to make all lease payments provided for therein (the "Lease Payments") and certain additional payments, to include all such payments in its annual budgets, and to make all the necessary annual appropriations for such Lease Payments. The City's obligation to make Lease Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Project (as defined herein), or any defects in title to the Site (as defined herein), there is substantial interference with the City's right to use and occupy any portion of the Project. See "RISK FACTORS—Abatement" herein. *While its obligation to make Lease Payments is payable from any legally available funds of the City, the primary source of revenues expected by the City to make the Lease Payments will be derived from a sublease agreement by and between the City and Topgolf Montebello, secured by a guaranty agreement provided by Topgolf International Inc.* See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Facility Lease and the Lease Payments," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Sublease and the Sublease Payments" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Guaranty" herein.

The Series 2022B Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Interest on the Series 2022B Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2023. Purchasers will not receive certificates representing their interest in the Series 2022B Bonds. Individual purchases of the Series 2022B Bonds may be made in principal amounts of $5,000 or integral multiples thereof. Principal of and interest on the Series 2022B Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the Beneficial Owners of the Series 2022B Bonds. See "THE SERIES 2022B BONDS—Book-Entry Only System" herein.

The Series 2022B Bonds will be issued pursuant to an Indenture, dated as of October 1, 2022, (the "Indenture"), by and among the City, the Authority and the Trustee. The Series 2022B Bonds and any additional bonds issued pursuant to the Indenture are collectively referred to herein as the "Bonds."

The Series 2022B Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity. See "THE SERIES 2022B BONDS—Redemption" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

SEE THE INSIDE COVER

The Bonds are special obligations of the Authority, payable solely from Lease Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

The obligation of the City to make the Lease Payments does not constitute a debt of the City or the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation. The Authority has no power to tax.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2022B Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. Quint & Thimmig LLP, Larkspur, California, is acting as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City and the Authority by the City Attorney of the City, for the Underwriter by Nixon Peabody LLP, Los Angeles, California, for the Trustee by its counsel and for the Municipal Bond Insurer by its counsel. It is anticipated that the Series 2022B Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about October 22, 2022.

CABRERA CAPITAL

Dated: October ___, 2022

*Preliminary, subject to change.

$_____*

MONTEBELLO PUBLIC FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022B
(Topgolf Project)
(Federally Taxable)

$_____Serial Bonds

CUSIP† Prefix: _____

Maturity (November 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP† Suffix

$_____ ____% Term Bonds Maturing November 1, ____; Price: _____ to Yield ___%—CUSIP†: _____ ___

$_____ ____% Term Bonds Maturing November 1, ____; Price: _____ to Yield ___%—CUSIP†: _____ ___

*Preliminary, subject to change.

† Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the City and are included solely for the convenience of the registered owners of the Series 2022B Bonds. None of the Authority, the City or the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Series 2022B Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Series 2022B Bonds as a result of various subsequent actions including, but not limited to, a 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 Series 2022B Bonds.

"For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Bonds that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Series 2022B Bonds 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 City or the Authority. 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 Series 2022B Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Series 2022B Bonds. 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 representations of fact.

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 a part of, its 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.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties described herein since the date hereof. The Series 2022B Bonds may not be sold nor may an offer to buy be accepted prior to the time this Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Series 2022B Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "RISK FACTORS" and in "THE CITY OF MONTEBELLO" herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH 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. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022B BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022B BONDS 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 SERIES 2022B BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE SERIES 2022B BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

A wide variety of other information, including financial information, concerning the City is available from publications and website of City. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement, except as expressly noted.

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TABLE OF CONTENTS

INTRODUCTION 1
General 1
Security 2
The Authority 3
The City 3
Continuing Disclosure 4
Professionals 4
Bondholders' Risks 5
Other Information in this Official Statement 5
THE SERIES 2022B BONDS 5
General 5
Registration, Transfers and Exchanges 6
Redemption 6
Book-Entry Only System 8
SOURCES AND USES OF FUNDS 9
DEBT SERVICE SCHEDULE 10
THE PROJECT 10
History of the Project 10
Location of the Project 12
Description of the Project 13
Project Participants 14
Operation of the Project 15
Feasibility of the Project; Competition 17
Environmental Review/Entitlements 17
Construction Budget and Schedule 17
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS 18
Pledge of Revenues 18
Lease Agreement and the Lease Payments 19
Additional Payments 20
Abatement 21
Substitution, Addition and Removal of Property 21
Action on Default 22
Reserve Fund 23
Additional Bonds 24
Insurance 25
Sublease and Sublease Payments 26
The Guaranty 27
THE AUTHORITY 27
THE CITY 28
CITY FINANCIAL INFORMATION 29
Financial Statements and Budgetary Process 29
General Fund Balance Sheet 31
General Fund Revenues, Expenditures, and Changes in Fund Balances 32
General Fund Budget to Actuals Comparison 35
City Financial Management 35
State Audit 37
Primary Sources of General Fund Revenues 39
Property Taxes 41
Sales and Use Taxes 48
Other Sources of General Fund Revenues 50
No Material Reliance on State Revenues 50
OTHER FINANCIAL INFORMATION 50
Labor Relations 50
Risk Management 50
Employee Retirement Plans 51
Other Post-Employment Benefits 55
Impact of Enterprise Operations on the City's General Fund 56
Debt Obligations 58
Overlapping Debt 59
STATE BUDGET INFORMATION 61
2022-23 State Budget 62
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS 64
Article XIIIA of the California Constitution 64
Article XIIIB of the California Constitution 66
Articles XIIIC and XIIID (Proposition 218) of the California Constitution 67
Proposition 1A of 2004 69
Proposition 22 70
Proposition 26 71
Proposition 19 72
RISK FACTORS 72
Bonds are Unsecured General Fund Obligations of the City 72
Limitation on Remedies; Bankruptcy 73
Abatement 74
Limited Recourse on Default; No Acceleration 74
Cash Management 75
COVID-19 Pandemic 75
Concentration of Revenue Sources 76
Impact of Enterprise Operations on the City's General Fund 76
Construction Risks, Project Completion 76
Force Majeure 77
Competition Generally 77
Competition—Other Competing Golf Courses and Driving Ranges 78
Reliance on Brand Name Recognition of Topgolf and Competent Management of the Project 79
Risks Related to the Sublease 79
Risks Related to the Guarantor 79
Ability of the City's General Fund to Make Lease Payments 79
Natural Disasters 79
Endangered Species 81
Hazardous Substances 81
Potential Impact of State Financial Condition on the City 81
Pension Benefit Liability 82
Risks Related to Cyber Security 82
Secondary Market Risk 83
Changes in Law 83
TAX MATTERS 83
CONSIDERATIONS FOIR ERISA AND OTHER BENEFIT PLAN INVESTORS 84
CERTAIN LEGAL MATTERS 86
ABSENCE OF LITIGATION 86
UNDERWRITING 86
RATING 87
MUNICIPAL ADVISOR 87
CONTINUING DISCLOSURE 87
FINANCIAL STATEMENTS OF THE CITY 88
MISCELLANEOUS 88

APPENDIX A GENERAL INFORMATION REGARDING THE CITY OF MONTEBELLO AND LOS ANGELES COUNTY. A-1
APPENDIX B SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS B-1
APPENDIX C SUBLEASE
APPENDIX D ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021 ..... C-1
APPENDIX E PROPOSED FORM OF BOND COUNSEL OPINION D-1
APPENDIX F FORM OF CONTINUING DISCLOSURE CERTIFICATE E-1
APPENDIX G BOOK-ENTRY ONLY SYSTEM F-1

CITY OF MONTEBELLO
MONTEBELLO PUBLIC FINANCING AUTHORITY
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1200

CITY COUNCIL/AUTHORITY BOARD

Kimberly Ann Cobos-Cawthorne, *Mayor/ Chair of the Board*
Angie M. Jimenez, *Mayor Pro Tem/Vice Chair of the Board*
Salvador Melendez, *Councilmember/Director*
Scarlet Peralta, *Councilmember/Director*
David N. Torres, *Councilmember/Director*

CITY STAFF/AUTHORITY STAFF

Rene Bobadilla, City Manager/Executive Director
Rafael Gutierrez, City Treasurer/Treasurer
Michael Solorza, City Finance Director/ Chief Financial Officer
Christopher Jimenez, City Clerk/Secretary
Arnold M. Alvarez-Glasman, City Attorney/Authority Counsel

PROFESSIONAL SERVICES

Municipal Advisor
Urban Futures, Inc.
Tustin, California

Bond Counsel
Stradling Yocca Carlson & Rauth,
a Professional Corporation
Newport Beach, California

Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

OFFICIAL STATEMENT

**$_____*
MONTEBELLO PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022B
(Topgolf Project)
(Federally Taxable)**

INTRODUCTION

This introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to herein for more complete information with respect to matters concerning the captioned bonds. Potential investors are encouraged to read this entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement and in APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS.

General

This Official Statement (which includes the cover page, inside cover page and the appendices hereto) (the "Official Statement"), provides certain information concerning the sale and delivery of $_____* aggregate principal amount of Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project) (Federally Taxable) (the "Series 2022B Bonds").

The net proceeds of the sale of the Series 2022B Bonds will be used to (i) finance the costs of a driving range entertainment venue and other improvements (the "Project") to be built and operated by Topgolf USA MB, LLC ("Topgolf Montebello"), (ii) fund capitalized interest on the Series 2022B Bonds through _____, (iii) fund a debt service reserve fund for the Series 2022B Bonds, and (iv) pay the costs incurred in connection with the issuance of the Series 2022B Bonds. See "SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

The Series 2022B Bonds are equally and ratably payable from lease payments (the "Lease Payments") to be made by the City for the right to use certain real property and improvements (as further described under the caption "THE PROJECT"), pursuant to a Facility Lease, dated as of October 1, 2022 (the "Facility Lease"), between the Montebello Public Financing Authority (the "Authority"), as lessor, and the City, as lessee.

The City will covenant under the Facility Lease to make all Lease Payments and certain additional payments provided for therein, to include all such payments in its annual budgets, and to make all the necessary annual appropriations for such Lease Payments. The City's obligation to make Lease Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Project, or any defects in title to the Project, there is substantial interference with the City's right to use and occupy any portion of the Project. See "RISK FACTORS—Abatement" herein.

* Preliminary, subject to change.

While the City's obligation to make Lease Payments is payable from any legally available funds of the City, the City expects the primary source of revenues to make the Lease Payments will be derived from a sublease by and between the City and Topgolf Montebello (the "Sublease"), secured by a guaranty agreement (the "Guaranty") provided by Topgolf International Inc. ("Topgolf International"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Sublease and the Sublease Payments" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Guaranty" herein.

The Series 2022B Bonds will be issued pursuant to an Indenture, dated as of October 1, 2022 (the "Indenture"), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Pursuant to the Indenture, the Authority may issue additional bonds (the "Additional Bonds") payable from the Lease Payments on a parity with the Series 2022B Bonds (the Series 2022B Bonds and any such Additional Bonds being collectively referred to as the "Bonds").

Pursuant to a Site Lease, dated as of October 1, 2022 (the "Site Lease"), by and between the City and the Authority, the City has leased the site of the Project (the "Site") to the Authority. The Authority has subleased the Site and the Project to the City under the Facility Lease. The Facility Lease obligates the City to make Lease Payments to the Authority.

The Trustee and the Authority have entered into an Assignment Agreement, dated as of October 1, 2022 (the "Assignment Agreement"), pursuant to which the Authority has assigned to the Trustee for the benefit of the Bond Owners substantially all of the Authority's right, title and interest in and to the Site and Facility Lease and the Facility Lease, including its rights to receive the Lease Payments due under the Facility Lease and to enforce any remedies in the event of a default under the Facility Lease by the City.

Security

The City will covenant under the Facility Lease to take such action as may be necessary to include all Lease Payments, which are comprised of Lease Payments and Additional Payments (which include taxes and assessments affecting the Property, administrative costs of the Authority relating to the Property, fees and expenses of the Trustee, and other amounts payable under the Facility Lease), due under the Facility Lease as a separate line item in its annual budgets and to make the necessary annual appropriations therefor, subject to abatement as described herein. The Lease Payments are an obligation of the City payable from any legally available funds and are not subject to a priority lien on any City revenues. The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Series 2022B Bonds and has expressly reserved the right to issue or incur other obligations for any of its corporate purposes.

Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City's right to use and occupy the Project or any portion thereof. See "RISK FACTORS—Abatement." Abatement of Lease Payments under the Facility Lease, to the extent that payment is not made from alternative sources as set forth below, would result in all Bond Owners receiving less than the full amount of principal of and interest on the Series 2022B Bonds. To the extent that proceeds of insurance are available, Lease Payments (or a portion thereof) may be made from such proceeds of insurance during periods of abatement.

The Series 2022B Bonds are special obligations of the Authority, payable solely from Lease Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor

the taxing power of the Authority, the City or the State of California (the "State"), or any political subdivision thereof, is pledged to the payment of the Series 2022B Bonds. The Authority has no power to tax.

The obligation of the City to make the Lease Payments does not constitute a debt of the City, the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction and does not constitute an obligation for which the City or the State is obligated to levy or pledge any form of taxation or for which the City or the State has levied or pledged any form of taxation.

Certain events could affect the ability of the City to make the Lease Payments when due. See "RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2022B Bonds.

While the City's obligation to make Lease Payments is payable from any legally available funds of the City, the City expects the primary source of revenues to make the Lease Payments will be derived from the payments made by Topgolf Montebello under the Sublease, secured by the Guaranty provided by Topgolf International. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Sublease and the Sublease Payments" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Guaranty" herein.

Should both Topgolf Montebello and Topgolf International fail to make payments under the Sublease and the Guaranty, respectively, the City will be obligated under the Lease Agreement to make the Lease Payments. Payment of the Lease Payments in whole or in part from the City's General Fund would be a significant negative impact on the City's General Fund. For additional discussion, see RISK FACTORS – "Ability of the City's General Fund to Make Lease Payments" herein.

THE OBLIGATION TO REPAY THE BONDS RESTS WITH THE CITY. THE PAYMENTS FROM TOPGOLF MONTEBELLO OR TOPGOLF INTERNATIONAL ARE NOT PLEDGED TO BONDHOLDERS. THE BONDS ARE SECURED SOLELY BY REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE.

The Authority

The Authority is a joint exercise of powers entity organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code (the "Joint Powers Act"). See "THE AUTHORITY".

The City

The City is situated in eastern Los Angeles County (the "County"), in the state of California (the "State"). The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (Interstate Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas and commercial centers. The City is bordered to the north by the cities of Monterey Park and Rosemead, to the east by the City of Pico Rivera

and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. The City operates under the Council-Manager form of government. The five City Council members are elected on alternate slates every two years to four-year terms. The Mayor and the Mayor Pro Tem are selected by the City Council to serve one-year terms. The City Clerk and City Treasurer are also elected to four-year terms. The City Manager and City Attorney are appointed by the City Council. The population of the City was estimated to be 61,622 as of January 1, 2022.

City's Transition to District-Based Elections. The City is in the process of transitioning from at-large elections to district-based elections for its council seats. On November 8, 2022, the voters of the City will elect five new councilmembers by district. The five new councilmembers will join the two existing at-large councilmembers to create a seven-member council. The City will temporarily retain the two at-large council seats until the expiration of their terms in 2024, at which point those seats will be eliminated and the City will have a five-member council elected entirely by district.

For additional information about the City, see "THE CITY," "CITY FINANCIAL INFORMATION," APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY and APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2021.

Continuing Disclosure

The City has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission ("SEC Rule 15c2-12(b)(5)") certain annual financial information and operating data and, in a timely manner, notice of certain listed events. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE" for a description of the City's compliance over the past five years with its various continuing disclosure obligations. See APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE for the form of the City's continuing disclosure obligations with respect to the Series 2022B Bonds.

Professionals

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Trustee with respect to the Series 2022B Bonds. The Series 2022B Bonds will be issued subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by the City Attorney of the City and by Quint & Thimmig LLP, Larkspur, California, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California, California. The City's financial statements for the fiscal year ended June 30, 2021, have been audited by Vasquez & Company LLP, Glendale, California (the "Auditor"). See APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021. The Auditor has not undertaken to update the audited financial statements of the City or its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement.

Bondholders' Risks

Certain events could affect the ability of the City to make the Lease Payments when due. See "RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2022B Bonds.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2022-23, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. See "FINANCIAL INFORMATION" for financial and operating information related to the City.

Other Information in this Official Statement

The summaries or references to the Indenture, the Facility Lease, the Site Lease, the Assignment Agreement and other documents, agreements and statutes referred to herein, and the description of the Series 2022B Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to each such document or statute.

THE SERIES 2022B BONDS

General

The Series 2022B Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. The Series 2022B Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page hereof. Interest on the Series 2022B Bonds will be paid semiannually on May 1 and November 1 (each, an "Interest Payment Date") of each year, commencing May 1, 2023.

Interest on the Series 2022B Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2022B Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date"), in which event it will bear interest from such Interest Payment Date, (ii) a Series 2022B Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the dated date thereof, or (iii) interest on any Series 2022B Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest will be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2022B Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date or by wire transfer to Owners of more than $1,000,000 in principal amount of Series 2022B Bonds who have provided account information and wiring instructions satisfactory to the Trustee.

The principal of the Series 2022B Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. The Series 2022B Bonds will be subject to redemption as set forth herein.

Registration, Transfers and Exchanges

The Series 2022B Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Series 2022B Bonds (the "Beneficial Owners") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in APPENDIX G—BOOK-ENTRY ONLY SYSTEM) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series 2022B Bonds. See "THE SERIES 2022B BONDS—Book-Entry Only System."

Redemption

Extraordinary Redemption from Condemnation Award or Insurance Proceeds. The Series 2022B Bonds shall be subject to redemption, in whole or in part, on any date, in denominations of $5,000 or any integral multiple thereof, from and to the extent of: (i) Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, and (ii) eminent domain proceeds received pursuant to the Facility Lease, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Optional Redemption. The Series 2022B Bonds maturing on or after November 1, ____, are subject to optional redemption, in whole or in part, on any date on or after November 1, ____, in denominations of $5,000 or any integral multiple thereof, from and to the extent of prepaid Lease Payments paid pursuant to the Facility Lease, at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2022B Bonds with a stated maturity on November 1, ____, are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, ____, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	Principal Amount

[†]Maturity.

The Series 2022B Bonds with a stated maturity on November 1, ____, are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, ____, in integral multiples of $5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (November 1)	Principal Amount

[†]Maturity.

In the event of a partial optional redemption or extraordinary mandatory redemption of any of the Term Bonds, each of the remaining mandatory sinking fund payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis in the amount of $5,000 or any integral multiple thereof as directed by an Authorized City Representative.

Notice of Redemption. Notice of redemption shall be given by the Trustee, not less than 20 nor more than 60 days prior to the redemption date (i) as to Series 2022B Bonds not registered in the name of a Securities Depository or its nominee, to the respective Owners of the Series 2022B Bonds designated for redemption at their addresses appearing on the Registration Books, (ii) as to Series 2022B Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Series 2022B Bonds, and (iii) the Information Services. Notice of redemption to the Owners pursuant to (i) above shall be given by mail at their addresses appearing on the Registration Books, or any other method agreed upon by such Owner and the Trustee. Notice of redemption to the Securities Depositories pursuant to (ii) above and the Information Services pursuant to (iii) above shall be given by electronically secure means, or any other method agreed upon by such entities and the Trustee.

Such notice will state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Series 2022B Bond numbers and the maturity or maturities (except in the event of redemption of all of the Series 2022B Bonds of such maturity or maturities in whole) of the Series 2022B Bonds to be redeemed, and will require that such Series 2022B Bonds be then surrendered at the principal corporate trust office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Series 2022B Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so given, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Series 2022B Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of optional redemption of the Series 2022B Bonds, such notice may state that such redemption is conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium if any, and interest on the Series 2022B Bonds to be redeemed and upon other conditions set forth therein and that, if such money has not been so received or such other conditions have not been satisfied, said notice is of no force and effect and the Trustee is not required to redeem such Series 2022B Bonds. If any condition stated in the redemption notice for an optional redemption have not been satisfied on or prior to the redemption date: (i) the redemption notice will be of no force and effect, (ii) the Authority will not be required to redeem such Series 2022B Bonds, (iii) the redemption will not be made, and (iv) the Trustee will within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Authority provided to the Trustee at least 30 but no more than 60 days prior to the date of such redemption, (b) with respect to any redemption from and to the extent of any insurance proceeds or condemnation award received with respect to all or a portion of the Property and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, as directed in a Written Request of the Authority provided to the Trustee at least 30 but no more than 60 days prior to the date of such redemption, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion deems appropriate and fair. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority will execute, and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Effect of Notice of Redemption. Notice having been given as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds will become due and payable on said date, and, upon presentation and surrender thereof at the principal corporate trust office of the Trustee, said Bonds will be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, will be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof has been given as aforesaid and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon. All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Indenture will be canceled upon surrender thereof and destroyed.

Book-Entry Only System

DTC will act as securities depository for the Series 2022B Bonds. The Series 2022B Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Series 2022B Bond will be issued for each maturity of the Series 2022B Bonds, each in the initial aggregate principal amount of such maturity and will be deposited with DTC. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to proceeds of the Series 2022B Bonds and other available amounts are shown below.

Sources	
Principal Amount of Series 2022B Bonds	
Total Sources	
Uses	
Deposit to Project Fund	
Deposit to Bond Reserve Fund[(1)]	
Deposit to Interest Fund[(2)]	
Underwriter's Discount	
Costs of Issuance[(3)]	
Total Uses	

(1) An amount equal to maximum annual debt service on the Series 2022B Bonds.
(2) An amount equal to capitalized interest on the Series 2022B Bonds through _____.
(3) Includes legal, municipal advisory, rating agency, printing fees, and other miscellaneous costs of issuance.

DEBT SERVICE SCHEDULE

Following is the annual schedule of debt service due with respect to the Series 2022B Bonds:

Year Ending June 1	Principal	Interest	Total
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
Total			

Source: The Underwriter.

THE PROJECT

History of the Project

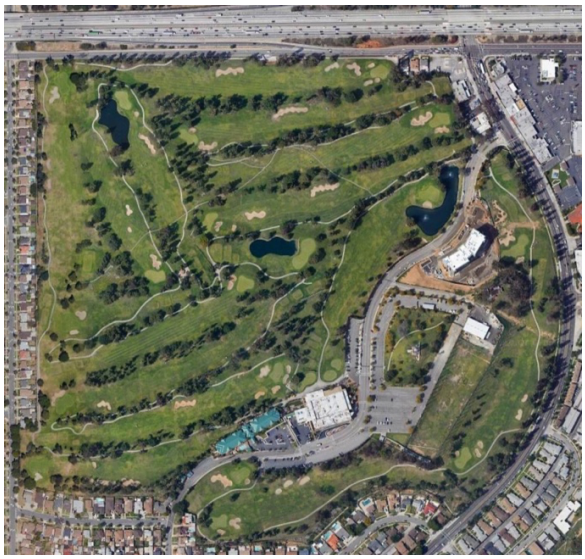
The City has owned and operated a municipal golf course (the "City Golf Course") for almost its entire one-hundred-year history of incorporation. The eighteen-hole City Golf Course – located at 988 Via San Clemente – covers 118 acres. The City Golf Course was last remodeled in 1999, having closed for repairs in 1998 and reopened in May, 1999. The City Golf Course inhabits a prime location, is freeway adjacent, is located minutes away from Downtown Los Angeles and the Los Angeles Convention Center and is a key component of the City's two hotels and conference center "campus." While the City Golf Course is enjoyed by City residents and non-residents alike, it is in need of significant capital upgrades and repairs. In addition, the nature of the game of golf has changed over the years, and the appeal of an 18-hole golf course to current players has changed.

The City operates the City Golf Course as an enterprise fund, with the fees charged for playing rounds of golf, using the driving range, and renting golf carts utilized to fund the City Golf Course's

operations. The City Golf Course has operated at a deficit for more than a decade, requiring the City's General Fund to subsidize the City Golf Course's operations on an annual basis. A history of recent subsidy payments from the City's General Fund to the City's Golf Course Fund can be found in Table 19, herein.

The following image is an aerial view of the current configuration of the City Golf Course.

MONTEBELLO CITY GOLF COURSE



City Staff began researching a path to update the 118-acre City Golf Course in a manner that would be a revenue surplus operation and not require subsidies from the City's General Fund while also modernizing the playing experience. An initial study and mitigated negative declaration (the "MND," as described in additional detail under "Environmental Review" below) was produced in 2019 that provided a new vision for the City Golf Course. The MND outlined a proposal to upgrade and modernize the City Golf Course with the construction of the Project, a new driving range complex as described in additional detail under "Description of the Project" herein, as well as other additional improvements. The City has determined that the Project, together with other improvements to the City Golf Course that will be constructed separately, will have a positive economic impact from the synergy of the Project and the improvements to the City Golf Course with two City-owned hotels and an adjacent conference center. The City also expects the Project will generate significant additional sales tax revenues through food, beverage, gameplay and merchandise sales once the Project opens for business.

After reviewing proposals from developers and operators with demonstrated success in the market, the City entered into an Exclusive Negotiating Agreement (ENA) with Topgolf Montebello on December 21, 2020. The City and Topgolf Montebello explored the feasibility and potential terms and conditions associated with developing and operating a project on the Golf Course substantially similar to that described in the MND. Subsequent to the ENA, the City and Topgolf Montebello entered in to a Sublessee Development and Participation Agreement on March 24, 2021 (the "SDPA") to define the basic terms by which the City and Topgolf Montebello would agree to construct and operate the Project. The SDPA outlined the responsibilities of both parties for seeking financing and paying debt service throughout the life of the Project.

The Sublease sets forth a schedule of "base rent" payments (i.e., lease payments) that Topgolf Montebello will pay to the City for use of the Project. This "base rent" amount is separate and in addition to the "periodic principal and interest payments" Topgolf Montebello would be obligated to pay in connection with issuance of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Sublease and the Sublease Payments."

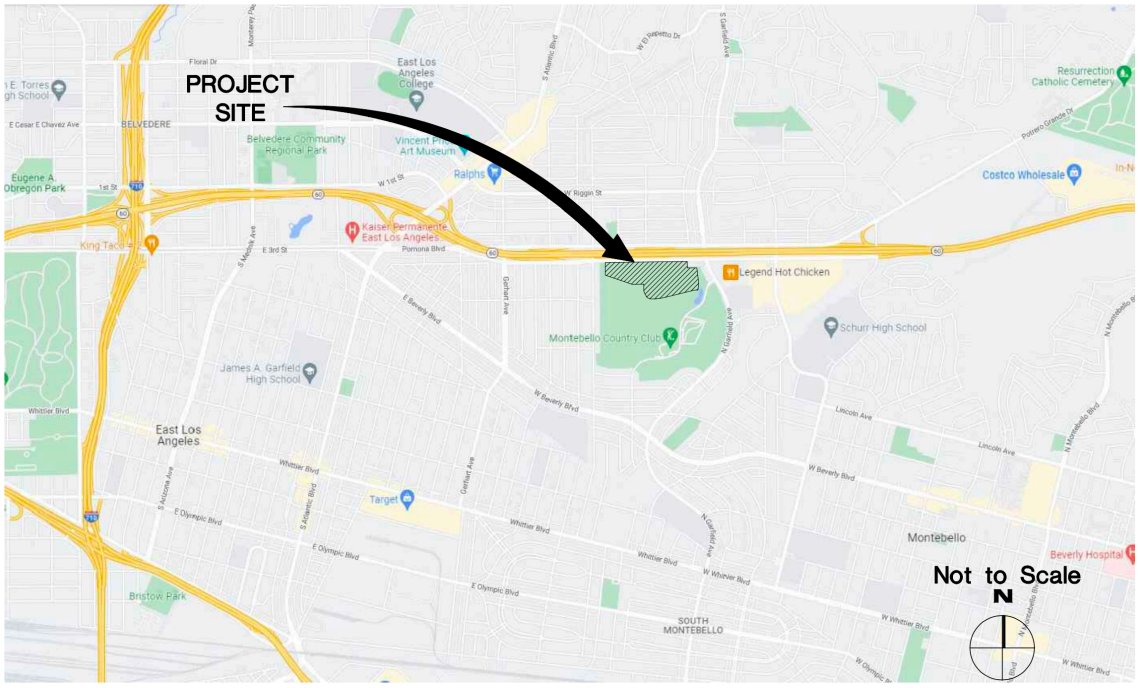
Under the Guaranty, Topgolf International pledges to guaranty the payment of the "improvement rent" payments under the Sublease to be made by Topgolf Montebello. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Guaranty."

Location of the Project

The Project will be located on the northern portion of the City Golf Course, which is located in the northern part of the City. The City is located approximately eight miles southeast of downtown Los Angeles and is bounded by Commerce on the west, unincorporated East Los Angeles on the north and Monterey Park on the north, the cities of Pico Rivera, Whittier, Santa Fe Springs, and South El Monte on the east, and the City of Downey on the south.

The following map shows the location of the Project within the City's boundaries. The Project will be constructed within the shaded area in the northwest portion of the City identified in the diagram below as "Golf Course."

PROJECT LOCATION WITHIN THE CITY



Major streets located in the vicinity of the Project include Garfield Avenue, a north-south street that extends along the east side of the Project, and Via San Clemente, located along the site's southeast side. Major east-west regional access to the Project is provided by the Pomona Freeway (SR-60). Via Campo

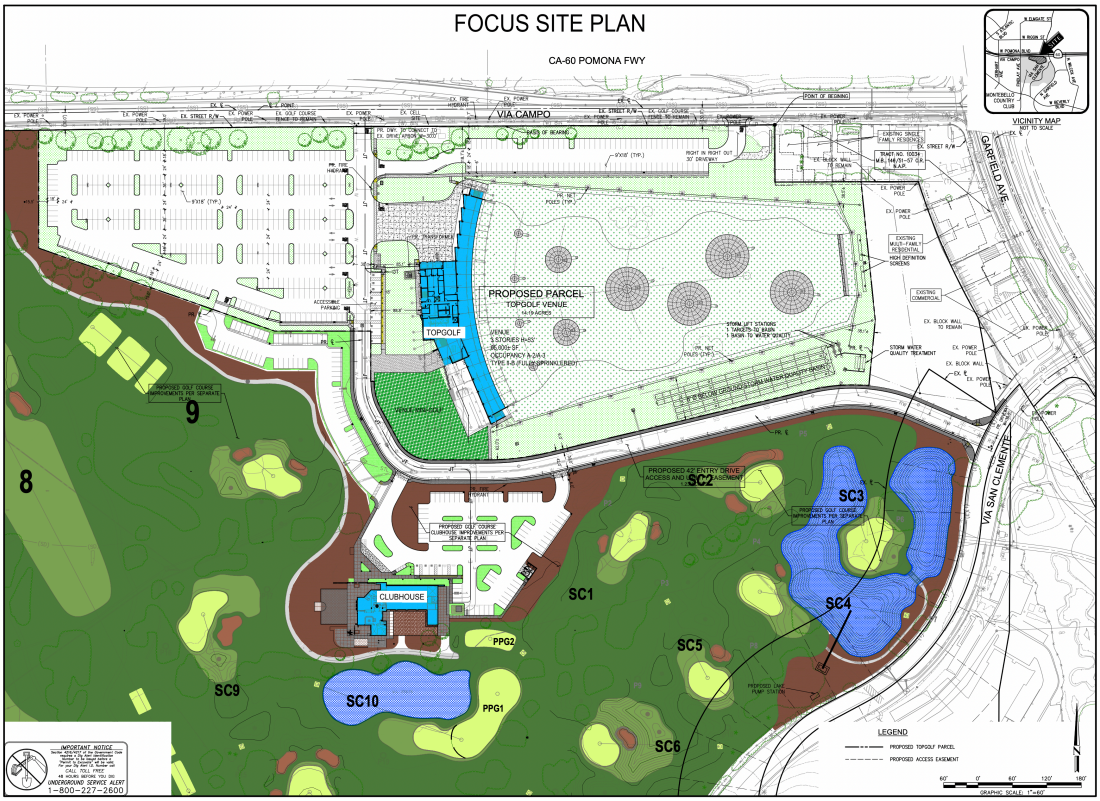
provides a direct access to the aforementioned Freeway. Beverly Boulevard is located approximately 1/2 mile to the south of the Project.

Description of the Project

The Project is an approximately 68,000 square foot Topgolf-branded commercial driving range and entertainment venue which is expected to include a full-service restaurant, event space, and other associated amenities to be located on the Site and operated and managed by Topgolf Montebello. The Project will include, among other things: a three (3)-story driving range complex/structure with approximately 102 hitting bays; restaurant and entertainment amenities; outdoor seating / patio areas; a parking lot; a miniature golf course; and common facilities, including a driveway that provides access from Via San Clemente, on approximately 15 acres.

The following diagram shows the anticipated layout of the Project and the location of the major component facilities and improvements as described in additional detail below.

THE PROJECT



Driving Range Complex. The centerpiece of the Project will be a three-level indoor driving range complex that will contain approximately 102 hitting bays. The driving range complex will have a total floor area of approximately 68,000 square-feet. The driving range complex building is expected to include various amenities including restaurant spaces which will serve alcoholic and non-alcoholic beverages, lounge areas, spaces for private or corporate events, and a retail area.

Poles and Netting. The driving range complex will involve the installation of new netting and poles. The poles and netting will have a maximum height of one hundred-seventy (170) feet above the finished floor elevation of the new driving range complex.

Surface Parking Facility. To service the driving range complex, a new surface parking area, containing between 450-500 spaces, will be constructed to the west of the new driving range complex.

Outdoor Seating and Patio Areas. The proposed improvements would also include the construction of new outdoor seating and patio areas for its guests which may include the service of food and beverage.

Potential Miniature Golf Course. The Project may include a new miniature golf operation to the south of the main driving range complex. The miniature golf operation would serve both as a stand-alone feature and a will provide entertainment option when driving range complex bays are on a wait period in the evenings. Topgolf Montebello has obtained the entitlements to construct the miniature golf operation but has not, as of the date of this Official Statement, made a final determination as to whether or not it will choose to construct it.

Access and Circulation. Primary vehicular access (both ingress and egress) to the Project is expected to consist of at least one driveway to be located west of the Via 60 Freeway and Garfield Avenue intersection and a new full-access driveway which would connect to Via San Clemente and Garfield. These driveways would accommodate customers and patrons entering and exiting the site.

The technology and game development for Topgolf Montebello will be supported by Topgolf International teams located in offices and studios across Dallas, Texas, San Francisco, California and Stockholm, Sweden. These teams are comprised of front-end and back-end engineers including software, network, structural, radio frequency, electrical, mechanical, machine learning, visual recognition, system test, computer vision scientists and data analysis, user experience and industrial design engineers, and mobile app developers. Topgolf International utilizes a number of proprietary, industry standard and third-party management information systems in its business and relies on its own servers and third-party infrastructure to operate games and to maintain and provide analytics data.

Project Participants

Topgolf Montebello. Topgolf Montebello, a wholly owned, indirect subsidiary of Topgolf International, was established specifically to develop and operate the Project. Topgolf Montebello does not operate any other Topgolf facilities and has no operating history.

Topgolf Montebello is obligated to make rent payments to the City for the use and enjoyment of the Project in accordance with the Sublease.

Topgolf International. Topgolf International is a wholly owned subsidiary of Topgolf Callaway Brands Corp. Topgolf International is a leading technology-enabled golf entertainment business with an innovative platform comprised of open-air golf and entertainment venues, Toptracer ball-tracking technology and digital media platforms. Topgolf International's venues business is comprised of company-operated venue operations within the United States and company-operated and franchised venues outside of the United States. As of the date of this Official Statement, Topgolf International had more than 70 company-operated venues in the United States and the United Kingdom, and franchises five venues in five different countries outside of the United States and United Kingdom. Topgolf International's other

business lines include the Toptracer Range ball tracking technology and digital media. Topgolf International has contracted to guarantee Topgolf Montebello's payments of rent under the Sublease in the Guaranty.

Revenues from Topgolf International's venues are primarily derived from food and beverage sales, gameplay and bay rentals, and events. Topgolf International's venue facilities offer multiple forms of entertainment and are equipped with technology-enabled hitting bays, multiple bars, dining areas and exclusive event spaces. Topgolf International's venues incorporate proprietary ball-tracking technologies to "gamify" golf and offer guests the chance to enjoy a variety of games developed to appeal to a broad range of players of different skills. Topgolf International venues provide flexible spaces that are used for enjoying food and beverage, watching sports, charity fundraisers, corporate outings, golf instruction, playing games and watching live music. Topgolf International rents spaces ranging in size from 12 to up to 1,000 attendees for events to individuals and organizations for a variety of different occasions, including corporate events and social gatherings. Topgolf International also hosts events similar to arenas and other entertainment venues such as live concerts and team-building events. For additional discussion of activities expected to be available at the Project, see "Operation of the Project" below.

Topgolf International has a $350.0 million term loan (the "Topgolf Term Loan"), and a $175.0 million revolving credit facility (the "Topgolf Revolving Credit Facility" and together with the Topgolf Term Loan, the "Topgolf Credit Facilities"), with JPMorgan Chase Bank, N.A., as Administrative Agent, Swingline Lender and Issuing Bank, RBC Capital Markets, as Syndication Agent, and the other agents, arrangers and lenders party thereto. As of June 30, 2022, outstanding borrowings under the Topgolf Term Loan were $338.6 million and there were no outstanding borrowings under the Topgolf Revolving Credit Facility. For more detailed discussion of the Topgolf Credit Facilities, or for information regarding the net revenue, operating income, and long-lived assets of Topgolf International, please see the segment reporting information disclosed from time to time in the periodic and other reports filed by Topgolf Callaway Brands Corp. with the Securities and Exchange Commission available at https://www.sec.gov/edgar/browse/?CIK=837465&owner=exclude. Such information is not incorporated herein by this reference.

General Contractor. The prime contractor for construction of the Project is McCarthy Building Companies, Inc. (the "Prime Contractor"). The Prime Contractor has entered into a guaranteed maximum price construction contract with Topgolf Montebello for the turnkey construction of the Project.

[MORE ON GENERAL CONTRACTOR]

Operation of the Project

Topgolf Montebello will operate the Project under the Sublease.

The Project will be supported by a multi-disciplined operations team. This team will be responsible for a number of areas, including preopening activities (such as employee recruitment, selection and training), culinary development, event sales support, technology services, supply chain support for food, beverages and equipment, marketing, and ongoing training and development for associates. Maintaining a high degree of quality in the venues depends in part on Topgolf Montebello's ability to acquire food and beverage ingredients, venue hardware, golf equipment and other supplies that meet Topgolf's high standards from reliable suppliers. Topgolf Montebello will use a third-party verification company to ensure

that all vendors meet United States guidelines and regulations, and for produce, it uses a third-party vendor that regulates a network of produce distributors nationwide.

The Project will include approximately 102 bays available to rent at its driving range complex. Bays will be available to reserve by the hour, with the hourly rate varying by day and time, plus a $5 one-time member fee for new customers. Up to 6 customers may be in each bay, with one customer can be hitting at a time. The driving range complex will be an all-weather facility and is expected to be open from 10AM to 12PM daily. Bays at the driving range complex may feature fans for the summer and heaters for the winter to enable year-round operation. The bays at the driving range complex are expected to be substantially similar to those at other Topgolf locations in the United States and may resemble the picture below.

EXAMPLE TOPGOLF DRIVING RANGE BAY



At each bay, customers will be able to play multiple Topgolf game variations, using provided RFID-chipped golf balls that provide players with feedback on each shot's accuracy and distance. Customers will also be able to order food and drinks and watch HDTVs in each bay.

Golf clubs will be provided to customers and are complimentary to use during game play. Men's and women's clubs will be available for use in each bay. Additional clubs for men, ladies, left-handers, right-handers, and children, will be available upon request. Customers will be allowed to bring their own clubs, and the driving range complex will have designated areas within the bays to store them.

Individual, group, and public lessons are expected to be available at the driving range complex.

The driving range complex will also house eating and drinking options, including a full-service restaurant and a bar.

If a miniature golf course is constructed it would be located adjacent to the driving range complex. Rounds of miniature golf would be available during business hours for a separate fee, which includes the rental of a putter. The miniature golf course's operations would be dependent on the weather.

Feasibility of the Project; Competition

Topgolf International tailors the design of its venues to thrive in varying climates, conditions and market sizes. The location of each of Topgolf International's venues, including the location of the Project, is carefully selected through a disciplined, data-driven site selection process, led by an experienced real estate team and augmented by a nationwide broker network.

The Project will be located in the Gateway Cities region of Los Angeles County, one of the most population-dense regions of the United States. The Project will be highly visible from highway 60 and will be approximately a 15-minute drive from the urban core of the City of Los Angeles and the Los Angeles Convention Center. For additional demographic and economic information about the City, the County, and the region generally, see APPENDIX A – GENERAL INFORMATION REGARDING THE CITY OF MONTEBELLO AND LOS ANGELES COUNTY.

The Project will compete for consumers' time and discretionary entertainment dollars against a broad range of other out-of-home entertainment options including other dining and entertainment venues, sports activity centers, traditional driving ranges and other establishments offering simulated golf or multisport experiences, arcades and entertainment centers, movie theaters, sporting events, bowling alleys, nightclubs, bars and restaurants. There are also two other Topgolf-branded locations located within the region, Topgolf Ontario (located approximately 35 miles from the Project) and Topgolf El Segundo (located approximately 25 miles from the Project), For additional discussion of factors that could affect the feasibility of the Project, see "RISK FACTORS—Competition Generally" and "RISK FACTORS—Other Competing Golf Courses and Driving Ranges."

Environmental Review/Entitlements

The City has analyzed the reasonably foreseeable environmental impacts of the Project pursuant to the requirements of the California Environmental Quality Act ("CEQA") by way of an "Initial Study and Mitigated Negative Declaration for the Montebello Golf Couse Driving Range Relocation Project," dated December 12, 2019 (the "MND"). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment. The MND was approved by the City's Planning Commission Resolution No. 6-22 in the manner required by CEQA. The period for filing a legal challenge to the MND has expired.

In accordance with the requirements for Title 17 of the Montebello Municipal Code, the City Planning Commission has reviewed, held a duly noticed public hearing on, and approved the planning approvals for the Project, and all permits, requirements, or approvals of applicable government requirements needed to commence development, construction, and operation of the Project have been issued or performed. The City issued a mass grading permit for the Project site on September _____, 2022 and a building permit for the Project on September _____, 2022.

Construction Budget and Schedule

Construction Budget.

[TO COME]

Construction Schedule. Groundbreaking for the Project is expected to begin in early November, 2022. The following schedule contains approximate estimates of construction milestones expected to be completed during a 13-month construction period prior to the expected grand opening of the Project to the public at the end of 2023. The dates and milestones in the schedule below are subject to change and may be delayed due to force majeure events and other matters beyond Topgolf Montebello's control. For additional discussion of certain risk factors related to the construction of the Project, please see "RISK FACTORS—Construction Risks, Project Completion" and "RISK FACTORS—Force Majeure."

ESTIMATED PROJECT CONSTRUCTION SCHEDULE

Activity	Milestone Date
Groundbreaking	11/7/2022
City Utility Extension Completion	12/23/2022
City Common Drive Completion	8/25/2023
Substantial Completion	11/20/2023
Grand Opening	12/29/2023

Insurance Requirements for Topgolf Montebello During Construction Period.

[TO COME]

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS

Pledge of Revenues

The Series 2022B Bonds are equally and ratably payable from and secured by Lease Payments and certain amounts on deposit in the Lease Payment Fund, the Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund established under the Indenture. Lease Payments will be payable by the City from any and all legally available funds of the City, however, the City expects that the City's General Fund will be the primary source of funds to make Lease Payments. See "RISK FACTORS" and APPENDIX A—GENERAL INFORMATION REGARDING THE CITY OF MONTEBELLO AND LOS ANGELES COUNTY for a description of such available funds and the potential risks associated with the availability of such funds to make Lease Payments. The City covenants in the Facility Lease to take such action as may be necessary to include all Lease Payments and Additional Payments due under the Facility Lease in its annual budgets and to make the necessary annual appropriations therefor.

The Authority, pursuant to the Assignment Agreement, has assigned to the Trustee for the benefit of the Bond Owners all of the Authority's right, title and interest in and to the Site Lease and the Facility Lease, including, without limitation, its right to receive Lease Payments to be paid by the City under and pursuant to the Facility Lease; provided that, the Authority will retain the rights to indemnification, to give approvals and consents under the Facility Lease and the Site Lease and to payment or reimbursement of its reasonable costs and expenses under the Facility Lease. The City will pay Lease Payments directly to the Trustee, as assignee of the Authority. See "—Lease Payments" below. Pursuant to the Indenture, the Authority may issue Additional Bonds payable from the Lease Payments on a parity with the Series 2022B Bonds. See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—ISSUANCE OF BONDS; APPLICATION OF PROCEEDS—Conditions for the Issuance of Additional Bonds, and APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL

DOCUMENTS—THE INDENTURE—ISSUANCE OF BONDS; APPLICATION OF PROCEEDS—Procedure for the Issuance of Additional Bonds.

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, all of the Lease Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Lease Payment Fund, the Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund are pledged by the Authority pursuant to the Indenture to secure the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Bonds are special obligations of the Authority, payable solely from Lease Payments and other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds. The Authority has no power to tax.

PAYMENTS FROM TOPGOLF MONTEBELLO OR TOPGOLF INTERNATIONAL ARE NOT PLEDGED TO BONDHOLDERS. THE BONDS ARE SECURED SOLELY BY REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Lease Agreement and the Lease Payments

Lease Payments and Additional Payments will be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each year for which such Lease Payments are to be paid.

The Lease Payments are an obligation of the City payable from any legally available funds and are not subject to a priority lien on any City revenues. The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Series 2022B Bonds and has expressly reserved the right to issue or incur other obligations for any of its corporate purposes. See "CITY FINANCIAL INFORMATION— Impact of Enterprise Operations on the City's General Fund" and "RISK FACTORS— Impact of Enterprise Operations on the City's General Fund."

While the City's obligation to make Lease Payments is payable from any legally available funds of the City, the City expects the primary source of revenues it will use to make the Lease Payments will be derived from the sublease payments made by Topgolf Montebello under the Sublease, as such sublease payments are secured by the Guaranty provided by Topgolf International. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022B BONDS—The Sublease and the Sublease Payments."

Should both Topgolf Montebello and Topgolf International fail to make payments under the Sublease and the Guaranty, respectively, the City will be obligated under the Lease Agreement to make the Lease Payments. Payment of the Lease Payments in whole or in part from the City's General Fund would be a significant negative impact on the City's General Fund. For additional discussion, see "RISK FACTORS—Ability of the City's General Fund to Make Lease Payments."

Each Lease Payment will be deposited with the Trustee no later than ninety days preceding each Interest Payment Date. All Lease Payments will be paid directly by the City to the Trustee, and if received by the Authority at any time will be transferred by the Authority to the Trustee within one Business Day

after the receipt thereof. All Lease Payments received by the Trustee will be deposited by the Trustee in the Lease Payment Fund.

Pursuant to the Indenture, on the Business Day immediately preceding each Interest Payment Date and on the Business Day immediately preceding each Principal Payment Date, the Trustee will transfer amounts in the Lease Payment Fund as are necessary to the Interest Fund and the Principal Fund to provide for the payment of and the interest on and principal of the Series 2022B Bonds.

The Lease Payments are calculated to be sufficient to pay the principal of and interest on the Series 2022B Bonds. The debt service schedules for the Series 2022B Bonds are set under the heading "DEBT SERVICE SCHEDULE."

The obligation of the City to make the Lease Payments does not constitute a debt of the City, the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction and does not constitute an obligation for which the City or the State is obligated to levy or pledge any form of taxation or for which the City or the State has levied or pledged any form of taxation.

Additional Payments

For the right to use and occupy the Property, the Facility Lease requires the City to pay, as Additional Payments thereunder, in addition to the Lease Payments, such amounts as shall be required for the payment of the following:

(i) All taxes and assessments of any type or nature charged to the Authority or the City or affecting the Property or the respective interests or estates of the Authority or the City therein.

(ii) All reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Indenture or the Facility Lease or to defend the Authority and its members, officers, agents and employees.

(iii) Insurance premiums for all insurance required pursuant to the Facility Lease.

(iv) Any amounts with respect to the Facility Lease or the Bonds required to be rebated to the federal government in accordance with section 148(f) of the Internal Revenue Code of 1986; and

(v) All other payments required to be paid by the City under the provisions of the Facility Lease or the Indenture.

Amounts constituting Additional Payments payable under the Facility Lease will be paid by the City directly to the person or persons to whom such amounts are payable. The City will pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60

days after notice in writing from the Trustee to the City stating the amount of Additional Payments then due and payable and the purpose thereof.

Abatement

Lease Payments and Additional Payments are paid by the City in each Rental Period for and in consideration of the right to use and occupy the Property. Lease Payments and Additional Payments may be abated in the event of damage, destruction, condemnation or title defect affecting the Property, each as described further below. The Trustee cannot terminate the Facility Lease in the event of such substantial interference. Abatement of Lease Payments and Additional Payments is not an event of default under the Facility Lease and does not permit the Trustee to take any action or avail itself of any remedy against the City. See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE FACILITY LEASE—LEASE PAYMENTS—Rental Abatement.

In the Event of Damage, Destruction, Condemnation or Title Defect. Except as otherwise specifically provided in the Facility Lease, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the City's right to use and occupy any portion of the Property, Lease Payments are subject to abatement proportionately, and the City waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Facility Lease by virtue of any such interference, and the Facility Lease will continue in full force and effect. The amount of such abatement will be agreed upon by the City and the Authority; provided, however, that the Lease Payments due for any Rental Period may not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the City during such Rental Period. Any such abatement will continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending when such use and occupancy is restored. In the event of abatement, the term of the Facility Lease will be extended until the date upon which (i) all Bonds shall be fully paid, or provision therefor made in accordance with the Indenture, or (ii) the Indenture shall be discharged by its terms and all Lease Payments shall have been paid in full. Notwithstanding the foregoing, the term of the Facility Lease will in no event be extended beyond November 1, 2055.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Lease Payments due under the Facility Lease in any of the funds and accounts established under the Indenture (including as a result of the availability of insurance proceeds), such Lease Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts.

Substitution, Addition and Removal of Property

General. The Authority and the City may amend the Facility Lease to substitute alternate property for any portion of the Property, to release a portion of the Property from the Facility Lease or to add additional property to the encumbrance of the Facility Lease, and upon compliance with all of the conditions set forth in the Facility Lease and described below. After a substitution or release, the portion of the Property for which the substitution or release has been affected will be released from the leasehold encumbrance of the Facility Lease.

The Facility Lease provides that there will be no reduction in or abatement of the Lease Payments due from the City thereunder as a result of such substitution, release or addition. Any such substitution,

release or addition is subject to the following specific conditions precedent to such substitution, release or addition:

(a) a Written Certificate of the City to the effect that the Property, as constituted after such substitution, release or addition: (i) has an annual fair rental value at least equal to the maximum Lease Payments payable by the City in any Rental Period, and (ii) has a useful life in excess of the final maturity of any Outstanding Bonds.

(b) with respect to any substituted or added property, the City obtains or causes to be obtained a CLTA or ALTA title insurance policy or policies with respect to the Property (as such term will be defined after such substitution or addition) that when taken together with other title insurance policies covering the Property, will be in an amount at least equal to the aggregate principal amount of any Outstanding Bonds, of the type and with the endorsements described in the Facility Lease; and

(c) the City, the Authority and the Trustee execute, and the City causes to be recorded with the County of Los Angeles Recorder, any document necessary to reconvey to the City the portion of the Property being released and to include any substituted or added real property in the description of the Property contained in the Facility Lease and in the Site Lease.

See the captions "THE PROJECT" and "THE PROPERTY," as well as APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE FACILITY LEASE—NO CONSEQUENTIAL DAMAGES; USE OF THE PROPERTY; SUBSTITUTION OR RELEASE—Substitution or Release of, or Addition to, the Property.

Action on Default

Should the City default under the Facility Lease, the Trustee, as assignee of the Authority under the Facility Lease, may terminate the Facility Lease and recover certain damages from the City, or may retain the Facility Lease and hold the City liable for all Lease Payments thereunder on an annual basis, and will have the right to re-enter and re-let the Property. In the event such re-letting occurs, the City would be liable for any resulting deficiency in Lease Payments. See "RISK FACTORS—Limitation on Remedies; Bankruptcy."

For purposes of certain actions of Bond Owners under the Indenture and the Facility Lease, such as certain consents and amendments and the direction of remedies following default, Bond Owners do not act alone and may not control such matters to the extent such matters are not supported by the requisite number of the Owners of all Bonds.

In the event of a default under the Facility Lease there is 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. There is no right under the Indenture to accelerate debt service payments on the Bonds in the event of a default under the Indenture or the Facility Lease.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Facility Lease and the Indenture, see APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE FACILITY LEASE—DEFAULTS AND REMEDIES and APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—

DEFAULT AND LIMITATIONS OF LIABILITY.

Reserve Fund

The Indenture provides that the Trustee will establish and maintain a Reserve Fund and within the Reserve Fund, the "Series 2022B Bonds Account," which shall be held and maintained by the Trustee. The Trustee shall deposit into the Series 2022B Bonds Account of the Reserve Fund a portion of the proceeds of the Series 2022B Bonds in an amount equal to the least of maximum annual Lease Payments, 125% of average annual Lease Payments and 10% of the principal amount of the Series 2022B Bonds (the "Reserve Requirement"). See "SOURCES AND USES OF FUNDS." The Trustee may establish additional accounts in the Reserve Fund in connection with the issuance of Additional Bonds, if any. All moneys in the Reserve Fund and accounts therein shall be used and withdrawn by the Trustee solely for the purpose of funding the Interest Fund or the Principal Fund, in that order, in the event of any deficiency in either of such accounts on an Interest Payment Date.

Moneys, if any, on deposit in the Reserve Fund (or the applicable account therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the Series 2022B Bonds or any Additional Bonds secured by the applicable account therein, respectively. The Trustee shall compute the Reserve Requirement annually on or before November 1.

In no event shall amounts in the Series 2022B Bonds Account of the Reserve Fund be applied to payment of any Additional Bonds other than Series 2022B Bonds.

Except as provided above, the amount on deposit in each account of the Reserve Fund shall be maintained at the Reserve Fund Requirement for each applicable series of Bonds at all times prior to the payment of the applicable series of Bonds in full. If there shall then not be sufficient Revenues to transfer an amount sufficient to maintain the Reserve Fund Requirement on deposit in the Reserve Fund, the Authority shall be obligated to continue making transfers to the Trustee as Revenues become available until there is an amount sufficient to maintain the Reserve Fund Requirement on deposit in the Reserve Fund. No such transfer and deposit need be made to the Reserve Fund so long as there shall be on deposit therein a sum at least equal to the Reserve Fund Requirement. All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Fund and the Principal Fund, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the City and Authority are not in default hereunder, any amount in the Reserve Fund or subaccount thereof in excess of the applicable Reserve Fund Requirement shall be withdrawn from the applicable Reserve Fund semiannually on or before two (2) Business Days preceding each May 1 and November 1 by the Trustee and deposited in the Interest Fund. On the Business Day preceding the final Interest Payment Date for a series of Bonds (or multiple series of Bonds issued under a Supplemental Indenture), all amounts held in the applicable account of the Reserve Fund shall be withdrawn from the Reserve Fund, or such applicable account of the Reserve Fund and shall be transferred to the Interest Fund and the Principal Fund, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 5.02(a) and 5.02(b).

The City shall have the right at any time to direct the Trustee to release funds from the an account of the Reserve Fund, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Fund Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Fund Credit Instrument will cause interest on the Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the

Trustee, and upon delivery by the City to the Trustee of written calculation of the amount permitted to be released from the applicable account of the Reserve Fund (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from applicable account of the Reserve Fund to the City to be applied in accordance with applicable law. The Trustee shall comply with the terms of any such Qualified Reserve Fund Credit Instrument delivered to and accepted by it, as may be applicable to it and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this section. Upon the expiration of any Qualified Reserve Fund Credit Instrument, the City shall either (i) replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the applicable Reserve Fund Requirement, to be derived from the first legally available Revenues. If the applicable Reserve Fund Requirement is being maintained partially in cash and partially with a Qualified Reserve Fund Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Fund or the Principal Fund for the purpose of making payments required pursuant to the Indenture. If the Reserve Fund Requirement is being maintained with two or more Qualified Reserve Fund Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Fund or the Principal Fund for the purpose of making payments required pursuant to the Indenture shall be pro-rata with respect to each such instrument.

See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—SECURITY FOR THE BONDS; FLOW OF FUNDS—Flow of Funds.

Additional Bonds

Pursuant to the Indenture, the Authority may issue Additional Bonds payable from the Lease Payments on a parity with the outstanding Bonds upon satisfaction of certain conditions, including, but not limited to, the following:

(a) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained in the Indenture, in the Facility Lease and in the Site Lease required to be observed or performed by it;

(b) The City shall be in compliance with all agreements, conditions, covenants and terms contained in the Indenture, in the Facility Lease and in the Site Lease required to be observed or performed by it; and

(c) The Site Lease and the Facility Lease shall have been amended, to the extent necessary, (i) so as to increase the Lease Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the payment of the principal of and interest on such Additional Bonds; provided, however, that no such amendment shall be made such that the sum of Lease Payments, including any increase in the Lease Payments as a result of such amendment, plus Additional Payments, in any Rental Period shall be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City); and (ii) to include provisions for the prepayment of Lease Payments attributable to such Additional Bonds.

Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur if (1) an event of default (within the meaning of the Facility

Lease) (or any event which, once all notice or grace periods have passed, would constitute such event of default) exists unless such event of default shall be cured upon such execution or issuance or (2) the Reserve Fund is not fully funded at the Reserve Requirement.

See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—ISSUANCE OF BONDS; APPLICATION OF PROCEEDS—Conditions for the Issuance of Additional Bonds and APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—ISSUANCE OF BONDS; APPLICATION OF PROCEEDS — Procedure for the Issuance of Additional Bonds.

Nothing in the Indenture prohibits the City or the Authority from incurring additional debt or other obligations not secured by the Lease Payments but see "CITY FINANCIAL INFORMATION— Impact of Enterprise Operations on the City's General Fund" and "RISK FACTORS— Impact of Enterprise Operations on the City's General Fund."

Insurance

General. The Facility Lease requires that the City maintain certain insurance coverages on the Property for loss due to property damage, title defect, loss of use and other liability as described below. Under the Facility Lease, the City may self-insure for the coverages required under the captions "*Property Insurance*," "*General Liability Insurance*," and "*Workers' Compensation Insurance.*" The City self-insures up to certain amounts and purchases additional coverage from commercial carriers as described in APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—FACILITY LEASE.

Property Insurance. The Facility Lease requires the City to maintain or cause to be maintained fire, lightning and special extended coverage insurance (which includes coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property, which with respect to any portion of the Property for which initial construction of improvements thereon has not been completed, initially may be in the form of a builder's risk policy providing coverage in an amount not less than the construction costs expended for such projects and, if no builder's risk policy is in effect in an amount not less than 100% of the replacement cost of such improvements. Such property insurance required to be maintained pursuant to the Facility Lease may be subject to a deductible in an amount not to exceed $500,000.

General Liability Insurance. The Facility Lease requires the City to maintain or cause to be maintained a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said 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 a single accident or event, and in a minimum amount of $500,000 for damage to property (subject to a deductible clause of not to exceed $100,000) resulting from a single accident or event. Such commercial general 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.

Rental Interruption Insurance. The Facility Lease requires the City to maintain rental interruption insurance to cover the Authority's loss, total or partial, of Lease Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards covered by the casualty insurance described above under "— *Property Insurance*," in an amount sufficient at all times to pay an amount not less than the product of two times the maximum amount of Lease Payments scheduled to be paid during any Rental Period. The City is not permitted to self-insure its obligation to maintain rental interruption insurance.

Workers' Compensation Insurance. The City is also required to maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover full liability for compensation under any such act.

Title Insurance. The City shall provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the initial aggregate principal amount of the Bonds. Said policy or policies shall insure (a) the fee interest of the City in the Property, (b) the Authority's Site Leasehold estate in the Property under the Site Lease, and (c) the City's leasehold estate under the Lease in the Property, subject only to Permitted Encumbrances. All Net Insurance Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in the Indenture. So long as any of the Bonds remain Outstanding, each policy of title insurance obtained pursuant to the Indenture or the Facility Lease or required thereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Bond Owners.

See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—THE FACILITY LEASE—INSURANCE.

Sublease and Sublease Payments

The City and Topgolf Montebello will enter into the Sublease with an initial term that is coterminous with the term of the Facility Lease and may thereafter be extended or terminated upon agreement of the parties thereto. Under the Sublease, Topgolf Montebello's general roles and responsibilities include, without limitation: (1) actively overseeing, participating in, consulting with the City and other interested or contracted parties on all aspects of the design and construction of the Project; and (2) providing professional and proprietary consulting and construction management services in connection with the design and construction of the Project.

Under the Sublease Agreement, Topgolf Montebello is obligated to make sublease payments to the City (the "Sublease Payments") in an amount equal to (a) the Lease Payments which the City is obligated to pay under the Facility Lease ("Improvement Rent"), plus (b) and a gradually increasing amount equal to the fair market lease value of the Site in its unimproved condition ("Base Rent"). The Base Rent portion of the Sublease Payments may be used by the City for any legal purpose.

In the event the City's obligation to make Lease Payments under the Facility Lease is abated, the obligation of Topgolf Montebello to make the Improvement Rent portion of the Sublease Payments will also be abated.

Each Sublease Payment will be deposited with the Trustee no later than 90 days preceding each Interest Payment Date. All Sublease Payments will be paid directly by Topgolf Montebello to the Trustee, and if received by the Authority at any time will be transferred by the Authority to the Trustee within one Business Day after the receipt thereof. All Sublease Payments received by the Trustee will be deposited by the Trustee in the Lease Payment Fund and will credit the City's obligation to make Lease Payments to the extent such Sublease Payments are received by the Trustee.

Pursuant to the Indenture, on the Business Day immediately preceding each Interest Payment Date and on the Business Day immediately preceding each Principal Payment Date, the Trustee will transfer amounts in the Lease Payment Fund as are necessary to the Interest Fund and the Principal Fund to provide for the payment of and the interest on and principal of the Series 2022B Bonds.

WHILE IT IS ANTICIPATED TOPGOLF MONTEBELLO WILL MAKE SUBLEASE PAYMENTS TO THE CITY THAT WILL BE SUFFICIENT TO PAY DEBT SERVICE ON THE SERIES 2022B BONDS, THE OBLIGATION TO REPAY THE SERIES 2022B BONDS RESTS WITH THE CITY. PAYMENTS FROM TOPGOLF MONTEBELLO OR FROM TOPGOLF INTERNATIONAL ARE NOT PLEDGED TO SERIES 2022B BONDHOLDERS. THE SERIES 2022B BONDS ARE SECURED SOLELY BY REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Should both Topgolf Montebello and Topgolf International fail to make payments under the Sublease and the Guaranty, respectively, the City will be obligated under the Lease Agreement to make the Lease Payments from any legally available funds of the City. Payment of the Lease Payments in whole or in part from the City's General Fund would be a significant negative impact on the City's General Fund. For additional discussion, see RISK FACTORS – "Ability of the City's General Fund to Make Lease Payments" herein.

The entire Sublease is attached to this Official Statement. APPENDIX C—SUBLEASE.

The Guaranty

Under the Guaranty, Topgolf International covenants and agrees with the City that if an event of default shall at any time occur in the payment of any sums due under the Sublease by Topgolf Montebello, Topgolf International shall and will forthwith upon demand pay such sums and any arrears thereof, to the City in legal currency of the United States of America for payment of public and private debts, and take all other actions necessary to cure such event of default and perform such obligations of Topgolf Montebello.

Topgolf International's liability under the Guaranty shall continue until all Series 2022B Bonds remain outstanding. If all or any portion of Topgolf Montebello's obligations under the Sublease is paid or performed by Topgolf Montebello, the obligations of Topgolf International under the Guaranty shall continue and remain in full force and effect in the event that all or any part of such payment(s) or performance(s) is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise.

THE AUTHORITY

The Authority is a joint exercise of powers entity organized and existing under and by virtue of the Joint Powers Act. The City and the Community Redevelopment Agency of the City of Montebello formed the Authority by the execution of a joint exercise of powers agreement on September 2, 1997. In July 2014,

the Parking Authority of the City of Montebello replaced the Successor Agency to the Former Redevelopment Agency (as successor to the Community Redevelopment Agency of the City of Montebello) as a member of the Authority. Pursuant to the Joint Powers Act, the Authority is authorized to issue bonds to provide funds to acquire or construct public capital improvements, such revenue bonds to be repaid from the lease payments for such improvements, such as the lease payments described herein. The members of the City Council of the City comprise the Authority's Board of Directors.

THE CITY

The City is situated in the eastern portion of the County. The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (Interstate Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas and commercial centers. The City is bordered to the north by the cities of Monterey Park and Rosemead, to the east by the City of Pico Rivera and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. The City operates under the Council-Manager form of government. The five City Council members are elected on alternate slates every two years to four-year terms. The Mayor and the Mayor Pro Tem are selected by the City Council to serve one-year terms. The City Clerk and City Treasurer are also elected to four-year terms. The City Manager and City Attorney are appointed by the City Council. The population of the City was estimated to be 61,622 as of January 1, 2022.

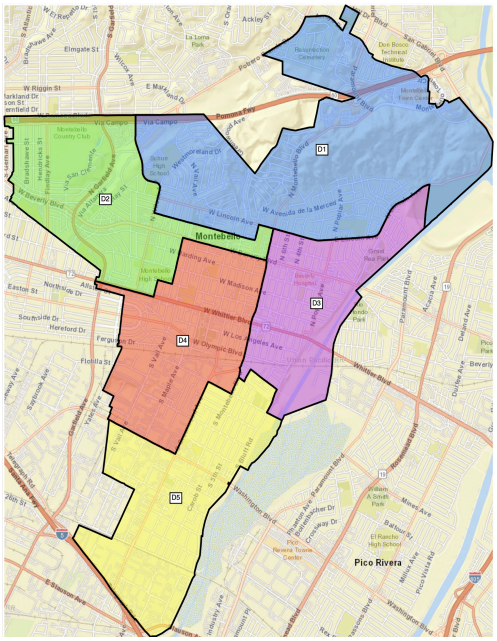
The current members of the City Council are as follows:

Name and Office	Current Term Expires
Kimberly Ann Cobos-Cawthorne, *Mayor*	December, 2022
Angie M. Jimenez, *Mayor Pro Tem*	December, 2022
Salvador Melendez, *Councilmember*	December, 2022
Scarlet Peralta, *Councilmember*	December, 2024
David N. Torres, *Councilmember*	December, 2024

City's Transition to District-Based Elections. The City is in the process of transitioning from at-large elections to district-based elections for its council seats. In a "by-district" election system, each Councilmember would represent a specific section of the City and be elected only by those who live in that defined district. On November 8, 2022, the voters of the City will elect five new councilmembers by district. The five new councilmembers will join the two existing at-large councilmembers to create a seven-member council. The City will temporarily retain the two at-large council seats until the expiration of their terms in 2024, at which point the City will have a five-member council elected entirely by district.

The following map shows the locations of the five council member districts within the City.

CITY OF MONTEBELLO
COUNCIL MEMBER DISTRICT MAP
(Effective beginning November 8, 2022)



Source: City of Montebello

Current members of the Council and key administrative personnel of the City are listed at the front of this Official Statement.

See APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY for an additional description of the City as well as certain demographic and statistical information.

CITY FINANCIAL INFORMATION

Financial Statements and Budgetary Process

The City's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The City retained Vasquez & Company LLP, Glendale, California, California (the "City's Auditor"), to examine the general-purpose financial statements of the City as of and for the year ended June 30, 2021. The audited financial statements for fiscal year ended June 30, 2021, are included in APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021. The City has not requested, and the City's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.

Budget Process. The City Council adopts an annual budget with appropriations for all City funds prior to the beginning of the fiscal year, which begins on July 1 of each year. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the City's operating budget is at the fund level. For the operating budget, the City Manager has the authority to move appropriations between accounts (without dollar limitation) within a budget program and within the same fund. All other appropriation changes require the approval of the City Council.

Certain of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. See "STATE BUDGET INFORMATION."

General Fund Balance Sheet

The following table shows the City's audited General Fund balance sheets for the five most recent fiscal years.

Table 2
CITY OF MONTEBELLO
GENERAL FUND BALANCE SHEET
Fiscal Years 2016-17 through 2020-21

	Fiscal Year ending June 30,				
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited
ASSETS					
Cash and investments	$ 6,799,980	$ 12,191,403	$ 17,213,492	$ 5,413,580	$ 9,349,552
Restricted cash and investments	4,666,731	4,666,731	4,837,801	4,666,731	1,921,304
Interest receivable	56,420	132,932	212,495	141,462	41,022
Accounts receivable	1,142,552	1,389,708	2,551,939	2,071,906	2,349,066
Taxes receivable	2,644,616	2,501,514	2,617,772	2,300,549	5,174,071
Due from other funds	2,503,001	2,794,623	2,000,017	2,853,153	8,622,169[(1)]
Advances to other funds	—	—	—	2,300,000	—
Due from Successor Agency	3,517	34,241	29,243	23,981	—
Prepaid Expenses	171,468	174,398	141,044	129,447	106,416
Due from Agency Fund	—	—	—	23	9,467
Investment in land held for resale	1,208,814	1,208,814	682,538	682,538	682,538
Total Assets	19,197,099	25,093,824	30,286,341	20,583,370	28,255,605
LIABILITIES					
Accounts payable and accrued liabilities	3,126,571	2,649,448	3,931,905	3,684,083	3,490,270
Deposits payable	5,000	5,000	—	—	—
Due to Agency Fund	—	—	—	865	865
Due to other funds	11,880	—	331,803	4,100	1,475,000
Unearned revenue	2,010,763	5,101,575	5,818,454	7,446,768	15,704,325[(2)]
Total Liabilities	5,154,214	7,756,023	10,082,162	11,135,816	20,670,460
FUND BALANCES					
Non-spendable	1,380,282	1,383,212	823,582	811,985	788,954
Restricted	4,666,731	4,666,731	4,837,801	4,666,731	1,921,304
Unassigned	7,995,872	11,287,858	14,542,796	3,968,838	4,874,887
Total Fund Balances	14,042,885	17,337,801	20,204,179	9,447,554	7,585,145
Total Liabilities and Fund Balances	19,197,099	25,093,824	30,286,341	20,583,370	28,255,605

Sources: City of Montebello Annual Comprehensive Financial Reports for Fiscal Years 2016-17 through 2020-21.

(1) Fiscal year 2020-21 amounts due from other funds include reimbursements to the General Fund from other funds related to construction projects at the City's two hotel properties not otherwise present in prior years.

(2) Fiscal year 2020-21 unearned revenues total includes Coronavirus State and Local Fiscal Recovery Funds received by the City under the American Rescue Plan Act not otherwise included in prior years.

General Fund Revenues, Expenditures, and Changes in Fund Balances

5-Year Audited Historical Results. The following table shows five years of the City's historical audited results for its General Fund revenues, expenditures, and changes in fund balances for fiscal years 2016-17 through 2020-21.

Table 3A
CITY OF MONTEBELLO
HISTORIAL GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2016-17 through 2020-21

	Fiscal Year Ended June 30,				
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited
REVENUES					
Sales taxes [1]	$13,267,373	$13,118,981	$14,031,972	$12,817,884	$22,270,247
Property taxes [4]	5,094,185	5,208,975	5,676,411	5,801,965	13,714,565
Other taxes	553,462	585,960	614,485	533,005	476,959
Franchise taxes	1,493,956	2,141,450	2,224,087	2,199,915	2,316,250
Licenses and permits	4,374,761	4,452,210	6,220,483	4,790,211	5,769,474
Fines and forfeitures	2,251,384	2,185,022	2,165,922	2,186,401	2,312,454
Investment Income	29,419	74,742	162,487	136,766	77,455
Intergovernmental [4]	5,950,400	6,157,030	6,526,569	6,909,563	1,096,273
Charges for services	6,382,058	6,438,100	6,657,594	6,053,109	6,317,440
Other revenues	959,391	1,153,423	728,696	489,655	1,762,641
Total Revenues	40,356,389	41,515,893	45,008,706	41,918,474	56,113,758
EXPENDITURES					
Current:					
General government	4,869,177	4,976,497	5,873,687	6,337,460	8,335,363
Public safety	31,438,293	31,487,454	29,433,153	32,503,951	32,641,866
Public works	6,812,050	6,778,314	6,639,299	7,395,769	10,635,745
Parks and recreation	3,658,338	3,813,599	3,827,559	4,388,956	4,360,265
Housing and community development	2,058,623	2,006,274	2,209,566	2,370,573	1,752,077
Capital outlay	183,834	265,903	2,052,865	3,559,591	9,014,007
Interfund charges	130,090	(231,650)	(366,046)	(361,160)	(536,079)
Debt service – Principal	-	-	-	954,331	656,625
Debt service – Interest	-	-	-	-	-
Total Expenditures	49,150,405	49,096,391	46,670,083	57,149,471	66,859,869
REVENUES OVER EXPENDITURES	(8,794,016)	(7,580,498)	(4,661,377)	(15,230,997)	(10,746,111)
OTHER FINANCING SOURCES/(USES)					
Other Revenues	4,666,731	-	1,547,962	815,153	-
Transfers in [2]	9,978,439	12,257,329	6,758,437	4,416,662	3,570,002
Transfers out [3]	(1,255,867)	(1,381,915)	(778,644)	(757,443)	(471,300)
Issuance of Debt [5]	-	-	-	-	5,785,000
Total Other Financing Sources	13,389,303	10,875,414	7,527,755	4,474,372	8,883,702
NET CHANGE IN FUND BALANCES [6]	4,595,287	3,294,916	2,866,378	(10,756,625)	(1,862,409)
FUND BALANCES – BEGINNING OF YEAR	9,447,598	14,042,885	17,337,801	20,204,179	9,447,554
FUND BALANCES – END OF YEAR	14,042,885	17,337,801	20,204,179	9,447,554	7,585,145

Source: City of Montebello Annual Comprehensive Financial Report for Fiscal Years 2016-17 through 2020-21.

(1) General fund sales tax collections for FY2020-21 and future years include amounts from Measure H, a voter-approved 0.75% sales tax that began collections on July 1, 2020. For additional discussion, see "Sales Taxes."

(2) Transfers in are mainly reimbursements for retirement-related pension costs from the Retirement Fund. The Retirement Fund receives monies from a Property Tax Override approved by the voters of the City to pay for retirement-related pension costs. The amount of transfer-in to the General Fund from Retirement Fund for the fiscal years beginning in 2019-20 are lower than prior years due to an accounting change of the unfunded liability payment which was previously charged to each department budget but is now charged directly to the Retirement Fund. For additional discussion, see "OTHER FINANCIAL INFORMATION – Employee Retirement Plans."

(3) Transfers out are mainly to the Golf Enterprise Fund. For additional discussion, see "OTHER FINANCIAL INFORMATION – Impact of Enterprise Operations on the City's General Fund."

(4) Beginning in FY2020-21 property tax revenues include amounts in-lieu of VLF accounted for as intergovernmental revenues in prior years.

(5) Represents the proceeds of a capital lease with ABM Building Solutions to finance a citywide energy efficiency upgrade project. For additional discussion, see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021 – Note 8E.

(6) Negative changes in fund balances in FY2019-20 and FY2021-22 are a result of impacts to revenue sources caused primarily by the COVID-19 Pandemic, increases in expenses related to the COVID-19 Pandemic, and one-time spending on deferred maintenance and improvements to City facilities.

Fiscal Year 2021-22 and 2022-23 Projections. Table 3B below shows the City's fiscal year 2021-22 projected actuals and 2022-23 budgeted projections for the City's General Fund revenues, expenditures, and changes in fund balances. Fiscal year 2021-22 data are full-year projections provided by the City's finance department based on actual results through the end of the 3rd quarter of that fiscal year. The City expects its audited fiscal year 2021-22 financial statements to be completed on or about January of 2023. Fiscal year 2022-23 data are from City's General Fund Budget for fiscal year 2022-23, adopted on June 8, 2022.

Categories of expenditures and transfers in Table 3B below are those used by the City for its internal accounting and may not in all cases match those related categories of expenditures and transfers sourced from the City's Annual Comprehensive Financial Reports and presented in Tables 3A and 4.

Table 3B
CITY OF MONTEBELLO
CURRENT AND PROJECTED GENERAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2021-22 and 2022-23

	Fiscal Year Ended June 30,	
	2022 Projected [1]	2023 Budgeted [2]
REVENUES		
Sales taxes	$24,726,000	$25,126,900
Property taxes	14,314,900	14,875,000
Other taxes	700,000	625,000
Franchise taxes	2,396,985	2,445,000
Licenses and permits	7,704,500	6,468,000
Fines and forfeitures	2,660,000	2,920,000
Investment Income	345,500	274,000
Intergovernmental	22,800	12,000
Charges for services	8,019,150	7,945,800
Other revenues	780,425	982,000
Total Revenues	61,670,260	61,673,700
EXPENDITURES		
Administration	2,624,811	2,736,200
Community Development	2,595,248	2,602,450
Finance	2,616,072	2,648,900
Fire	15,547,246	16,887,400
Human Resources/Information Technology	1,994,670	2,298,300
Non-Departmental	4,578,582	3,158,500
Parks & Recreation	5,757,953	3,140,600
Police	19,299,555	19,611,000
Public Works	11,648,811	14,906,750
Total Expenditures	66,662,949	67,990,100
REVENUES OVER/(UNDER) EXPENDITURES	(4,992,689)	(6,316,400)
OTHER FINANCING SOURCES/(USES)		
Administrative Overhead	2,839,200	2,912,100
Transfers in [4]	3,900,000	4,100,000
Transfers out	(471,300)[5]	-
Total Other Financing Sources	6,739,200	7,012,100
NET CHANGE IN FUND BALANCES	1,275,211	695,700
FUND BALANCES – BEGINNING OF YEAR [3]	7,585,145	8,860,356
FUND BALANCES – END OF YEAR [3]	8,860,356	9,556,056

Source: City of Montebello Finance Department for Fiscal Year 2021-22 data and City of Montebello Fiscal Year 2022-23 Budget, adopted June 8, 2022.

(1) FY2021-22 data are full-year projections provided by the City's finance department based on actual results through the 3rd quarter.
(2) FY2022-23 data is from the City's FY2022-23 Budget, adopted June 8, 2022.
(3) Fund balances in Table 3B do not include $6.3 million in Coronavirus State and Local Fiscal Recovery Funds received by the City under the American Rescue Plan Act and applied to the General Fund in FY2021-22 to reimburse the City for revenue losses during the COVID-19 Pandemic.
(4) Transfers in are mainly reimbursements to the General Fund for retirement-related expenses from the Retirement Fund. For additional discussion, see "OTHER FINANCIAL INFORMATION – Employee Retirement Plans."
(5) Projected based on prior year transfer from the General Fund to the Golf Course Fund.

General Fund Budget to Actuals Comparison

The following table shows the City's General Fund budget figures for fiscal year 2019-20 and 2020-21, including a comparison of the City's initial budget, final budget, audited actuals for each year.

Table 4
CITY OF MONTEBELLO
GENERAL FUND BUDGET TO ACTUALS COMPARISON
Fiscal Years 2019-20 and 2020-21

	Fiscal Year Ended June 30, 2020			Fiscal Year Ended June 30, 2021		
	Adopted Budget	Final Budget	Audited Actuals	Adopted Budget	Final Budget	Audited Actuals
REVENUES						
Sales taxes	$ 13,146,732	$ 13,146,732	$ 12,817,884	$ 18,241,000	$ 18,241,000	$ 22,270,247
Property taxes	5,967,797	5,967,797	5,801,965	13,026,000	13,026,000	13,714,565
Other taxes	658,201	658,201	533,005	599,000	599,000	476,959
Franchise taxes	2,315,184	2,315,184	2,199,915	2,272,000	2,272,000	2,316,250
Licenses and permits	5,137,999	5,137,999	4,790,211	4,872,800	4,872,800	5,769,474
Fines and forfeitures	2,023,693	2,023,693	2,186,401	2,600,000	2,600,000	2,312,454
Investment Income	179,506	179,506	136,766	150,000	150,000	77,455
Intergovernmental	6,784,372	6,784,372	6,909,563	5,500	790,100	1,096,273
Charges for services	6,914,613	6,914,613	6,053,109	7,200,300	7,200,300	6,317,440
Other revenues	223,200	223,200	489,655	384,000	384,000	1,762,641
Total Revenues	43,351,297	43,351,297	41,918,474	49,370,600	50,155,200	56,113,758
EXPENDITURES						
Current:						
General government	5,903,732	6,177,604	6,337,460	6,474,700	7,667,950	8,335,363
Public safety	29,971,059	29,981,264	32,503,951	31,921,200	32,074,821	32,641,866
Public works	7,374,648	8,081,909	7,395,769	8,877,600	9,320,387	10,635,745
Parks and recreation	4,856,969	4,655,852	4,388,956	3,870,800	4,152,215	4,360,265
Housing and community development	2,548,964	3,008,451	2,370,573	2,140,800	2,196,847	1,752,077
Capital outlay	115,536	4,709,189	3,559,591	262,900	4,081,050	9,014,007
Interfund charges	(3,620,099)	(3,620,099)	(361,160)	(521,500)	(521,500)	(536,079)
Debt service – Principal	945,640	994,128	954,331	624,100	624,100	656,625
Debt service – Interest	-	-	-	-	-	-
Total Expenditures	48,096,449	53,988,298	57,149,471	53,650,600	59,595,870	66,859,869
REVENUES OVER EXPENDITURES	(4,745,152)	(10,637,001)	(15,230,997)	(4,280,000)	(9,440,670)	(10,746,111)
OTHER FINANCING SOURCES/(USES)						
Other Revenues	-	-	815,153	-	-	-
Transfers in	5,888,806	5,888,806	4,416,662	4,300,000	4,300,000	3,570,002
Transfers out	(956,170)	(956,170)	(757,443)	-	-	(471,300)
Issuance of Debt	-	-	-	-	-	5,785,000
Total Other Financing Sources	4,932,636	4,932,636	4,474,372	4,300,000	4,300,000	8,883,702
NET CHANGE IN FUND BALANCES	187,484	(5,704,365)	(10,756,625)	20,000	(5,140,670)	(1,862,409)
FUND BALANCES – BEGINNING OF YEAR			20,204,179			9,447,554
FUND BALANCES – END OF YEAR			9,447,554			7,585,145

Source: City of Montebello Annual Comprehensive Financial Reports for Fiscal Year 2019-20 and Fiscal Year 2020-21.

City Financial Management

The City Council has adopted a comprehensive set of financial management policies to provide for the prudent investment of City funds and management of debt. The City's practice is to incur debt only after deliberation over the effect of such debt on the City's General Fund and other resources of the City, and in those circumstances where the use of debt would be appropriate to the scale and economic life of the asset being financed and the accumulation or availability of reserves to fund the capital requirement.

Reserve Policies. The City adopted General Fund reserve policies to provide guidance on maintaining reasonable levels of reserves in the City's General Fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. The City's current General Fund reserve policy was first adopted in June, 2020, and has been updated annually as part of the City's budget process. The City's General Fund reserve policy provides a comprehensive protocol on what is legally deemed the unrestricted (or spendable) portion of the General Fund balance, and the order in which the classifications are spent. The unrestricted portion of the fund balance is comprised of the General Fund's resources classified as "Committed," "Assigned," or "Unassigned."

The City's current General Fund reserve policies establish:

- a Commitment for Economic Uncertainties equal to an amount calculated as twenty-five percent (25%) of the General Fund's annual operating revenues,
- a Commitment for Unfunded Liabilities equal to an amount calculated as five percent (5%) of the General Fund's annual operating revenues,
- an assignment for equipment and/or technology replacement and upgrade needs will be made that is equal to five (5%) of the General Fund's annual operating revenues,
- an assignment will be made that is equal to five percent (5%) of the General Fund's annual operating revenues for the purposes of providing funding for any unfunded, unprogrammed or otherwise un-planned capital improvement projects that required a General Fund funding component,
- an assignment will be made that is equal to $1,000,000 for the purpose of providing funding for deferred maintenance on the City's building assets (i.e., City Hall, community centers), sports fields and other related infrastructure items,
- an assignment will be made that is equal to $500,000 and is intended to meet the City's "self-insured retention" for various insurance needs, and
- an assignment will be made equal to $1,000,000 to fund economic development sustainability efforts within the City of Montebello.

When either Committed or Assigned funds are utilized for their specific, intended purposes, or the levels fall below the policy levels as described and set forth herein, the City Council will develop a reserve replenishment plan to return the various reserves to their policy levels.

Investment Policy. The investment of funds of the City (except pension and retirement funds) is made in accordance with the City's Investment Policy, most recently approved on June 8, 2022 (the "Investment Policy"), and Section 53601 *et seq.* of the California Government Code. The Investment Policy is subject to revision at any time and is reviewed at least annually to ensure compliance with the stated objectives of safety, liquidity, yield, and current laws and financial trends. All amounts held under the Indenture are invested at the direction of the City in Investment Securities, as defined in the Indenture, and are subject to certain limitations contained therein.

Debt Management Policy. In accordance with Section 8855(i) of the California Government Code the City adopted a debt management policy on September 25, 2019, to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

Capital Improvement Program. The City's capital improvement program (the "CIP") is approved by City Council annually and throughout the year as needed. Capital assets (including infrastructure) are

recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Generally, capital asset purchases more than $5,000 are capitalized if they have an expected useful life of one year or more. The current CIP for fiscal year 2022-23 is $18.68 million, to be funded from available funding sources, including restricted sales tax funds, gas tax funds, and other State and County sources.

Pension Funding Policy. On May 13, 2020, the City Council adopted a pension funding policy. The 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.

State Audit

In October of 2017, the City received a letter from the California State Auditor (the "State Auditor") under the "High-Risk Local Government Agency Audit Program," authorized under Section 8546.10 of the Government Code of the State. The Local High-Risk Agency Audit Program authorizes the State Auditor to use publicly available financial information to identify and audit local government agencies that are at high risk for potential waste, fraud, abuse, or mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness. Local agencies identified by the State Auditor as "high-risk" because of their audit must submit a corrective action plan and must then provide written updates every six months thereafter regarding its progress in implementing the corrective action plan. Once satisfactory corrective action has been taken the State Auditor will remove the "high-risk" designation. The State Auditor currently identifies the City as a "moderate risk."

The State Auditor released its audit report 2018-802 regarding the City (the "2018 State Audit Report") on December 11, 2018. In releasing the 2018 State Audit Report, the State Auditor concluded that the City was a high-risk city because of its significant financial and organizational risks. The State Auditor found, for much of the prior decade, the City struggled to generate sufficient revenues to meet its expenses and as a result, suffered from a structural deficit. Further, the City relied on one-time revenues to balance its budget and its plans to increase revenues and decrease expenditures were not adequate to eliminate its structural deficit. Additionally, the State Auditor identified the City's enterprise activities, including the operation of a municipal golf course, water utility, and two hotels, as posing a significant financial risk to the City's General Fund.

To address the identified risk factors, the State Auditor developed recommendations for the city to implement, such as exploring alternate uses for its golf course and recommended that the City amend its municipal code to require competitive bidding for most procurements to ensure that Montebello obtains the best value from the services it received.

On November 15, 2018, the City responded to the draft 2018 State Audit Report. The City's concerns and disagreements with the 2018 State Audit Report are discussed therein and should be read together with the State Audit Report. In summary, the City largely agreed with the conclusions reached in the State Audit report and acknowledged that while it has already taken steps towards improving its fiscal and operational efficiencies, there are remaining areas the City still needs to address.

Since the publication of the 2018 State Audit Report the City has put into place numerous new procedures and policies directly aimed at responding to the audit reports' various recommendations. The City's municipal code chapters dealing with purchasing and procurement were first updated in March 2019,

and citywide purchasing training has been conducted on numerous occasions since 2019. Several new administrative policies were developed that addressed the areas of weakness identified by the State Auditor (i.e., petty cash, credit cards, hotel financial reporting, etc.), while other existing policies were updated to incorporate recommendations from the audit reports.

As required, City staff has provided status reports to the City Council at regular meetings, which are then forwarded to the State Auditor to show the City's progress towards meeting the audit report recommendations. City Staff has been in regular contact with State Auditor staff and provides updates on the City's progress in addressing the recommendations and findings.

2021 Follow-Up Report. On October 14, 2021, the State Auditor published follow up report No. 2021-807 (the "2021 State Audit Report Update") addressing the City's efforts to respond to the issues raised in the original 2018 State Audit Report. The State Auditor noted that the City has attempted to improve its operations in multiple areas such as by updating competitive bidding requirements in its municipal code, resolving concerns about the City's retirement system costs, and improving its golf course operations. The State Auditor did continue to raise concerns about the City's procurement processes, adherence to competitive bidding and public notice requirements, petty cash and credit card policies, and other related issues.

The City responded to the 2021 State Audit Report Update with its own letter to the State Auditor, dated September 27, 2021. In the City's response letter, the City disagreed with the State Auditor on certain facts, assumptions, and conclusions in the 2021 State Audit Report Update. City staff drew particular attention to the City's improving General Fund health, its issuance of pension obligation bonds to pay down its unfunded accrued pension liability, its oversight of the City-owned hotels, and publication of new and updated financial policies.

Auditor's Report on Internal Control Over Compliance. As part of the City's fiscal year 2020-21 audit process, the City's Auditor reviewed the City's internal control over financial reporting for the purposes of expressing an opinion on the City's financial statements. During the fiscal year 2020-21 audit process the City's Auditor identified a certain deficiency in internal control regarding the City's hotel enterprise funds that the City's Auditor considered to be a significant deficiency. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

The City's Auditor reported delays in obtaining supporting documents and agreements and that certain balances in the City's enterprise funds for the City's hotel enterprises were unreconcilable with the general ledger for those accounts. The City's Auditor recommended that the City establish checklists and procedures, and that the City strictly implement proper reconciliation and closing procedures over the hotels' accounting operations and assign responsibility for completing the procedures to specific personnel. The City indicated to the Auditor that it intends to fully adopt the Auditor's recommendations.

The City remains committed to implementing recommendations from the 2018 State Audit Report, the 2021 State Audit Report Update, and the City Auditor's Report on Internal Control Over Compliance to satisfy the State Auditor, the City's Auditor, and formally remove the City from the State Auditor's high-risk category. City staff will continue to study and implement improvements to its organizational management and internal controls to that effect.

Both the 2018 State Audit Report and the 2021 State Audit Report Update, together with the City's letters in response thereto, can be found on the State Auditor's website. The City's progress report updates to the City Council can be viewed on the City's website. Additional discussion of the 2018 State Audit Report and 2021 State Audit Report Update can be found in the City's Annual Comprehensive Financial Report, included as APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021. The progress reports and other information presented on the City's website are not incorporated by reference as part of this Official Statement.

Any failure of the City to meet its financial obligations could have a material adverse impact on the value of the Series 2022B Bonds. See also "RISK FACTORS—Limitations on Remedies Available; Bankruptcy."

Primary Sources of General Fund Revenues

The City relies on several sources to balance its General Fund budget. The City's largest General Fund revenue source is sales and use taxes, which typically account for 40% of the City's General Fund revenues. The City's sales tax revenues have increased significantly beginning in fiscal year 2020-21 following the passage of Measure H, a 75-cent transaction and use tax discussed in additional detail below. The second largest General Fund revenue source is property taxes, which typically account for approximately 22% of the City's General Fund revenues. Charges for services and licenses and permits are the General Fund's third and fourth largest revenue sources, typically combining for approximately 20% of the City's General Fund Revenues. Together these four primary sources of General Fund revenues have constituted approximately 80% of the City's General Fund revenues in recent years.

The table below shows the City's primary General Fund audited revenue sources for the three most recent fiscal years, projected actuals for Fiscal Year 2021-22, and budgeted projections for Fiscal Year 2022-23. Fiscal year 2021-22 data are full-year projections provided by the City's finance department based on actual results through the end of the 3rd quarter of that fiscal year. The City's audited financial statements for fiscal year 2021-22 are expected to be available on or about January of 2023. Fiscal year 2022-23 data are from City's General Fund Budget for fiscal year 2022-23, adopted on June 8, 2022.

Following the table is a brief discussion of each of the City's primary sources of General Fund revenues.

Table 5
CITY OF MONTEBELLO
PRIMARY SOURCES OF GENERAL FUND REVENUES

	Fiscal Year Ending June 30,				
	2019 Audited	2020 Audited	2021 Audited	2022 Actuals [1]	2023 Budgeted [2]
Sales taxes [3]	$14,031,972	$12,817,884	$22,270,247	$24,726,000	$25,126,900
Property taxes [4]	5,676,411	5,801,965	13,714,565	14,314,900	14,875,000
Licenses and permits	6,220,483	4,790,211	5,769,474	7,704,500	6,468,000
Charges for services	6,657,594	6,053,109	6,317,440	8,019,150	7,945,800
Total Primary Sources	32,586,460	29,463,169	48,071,726	54,764,550	54,415,700
All Other General Fund Revenues	12,422,246	12,455,305	8,042,032	6,905,710	7,258,000
Total General Fund Revenues	$45,008,706	$41,918,474	$56,113,758	$61,670,260	$61,673,700

Source: City of Montebello FY2018-19 through 2020-21 Annual Comprehensive Financial Reports, City of Montebello Finance Department for FY2021-22 data, and the City of Montebello's FY 2022-23 Budget, adopted June 8, 2022.

Note: The amounts of total General Fund revenues in this Table 6 are limited to the General Fund's operating revenues only and do not include non-operating revenues otherwise available to the General Fund to meet expenses, including transfers in from the Retirement Fund and administrative overhead.

(1) FY2021-22 data are full-year projections provided by the City's finance department based on actual results through the 3rd quarter.

(2) FY2022-23 data is from the City's FY2022-23 Budget, adopted June 8, 2022.

(3) Sales tax revenues for FY2020-21 and future years include amounts from Measure H, a voter-approved 0.75% transaction and use tax that began collections on July 1, 2020. For additional discussion, see "Sales Taxes."

(4) Property tax revenues for FY2020-21 and future years include in-lieu of VLF amounts accounted for as intergovernmental revenues in prior years.

Sales and Use Taxes. Sales and use taxes are the General Fund's largest revenue source. The City receives a 1% share of all taxable sales generated within its borders from the State. The City also receives transaction and use taxes from a voter-approved 0.75% sales tax ("Measure H") on all eligible taxable sales. As Measure H is a general tax, Measure H collections are available to the City's General Fund for any lawful purpose. Measure H taxes have no expiration date and will be collected indefinitely if not otherwise repealed by the voters of the City. In Fiscal Year 2019-20, sales and use taxes (not including Measure H taxes which began on July 1, 2020) generated approximately $12.8 million and in Fiscal Year 2020-21, sales and use taxes (the first full year of Measure H tax collection) generated approximately $22.3 million. The City has estimated that sales and use tax revenues will generate $24.7 million and has budgeted for $25.1 million in Fiscal Years 2021-22 and 2022-23, respectively. Sales and Use Tax revenues for Fiscal Years 2019-20 through 2022-23 have been impacted by the COVID-19 Pandemic. For additional discussion of the City's General Fund sales tax revenues and of Measure H, see "Sales and Use Taxes."

Property Taxes. Property taxes are the General Fund's second largest revenue source. The County levies a tax of 1% on the assessed valuation of property within the County. The City receives a share of this 1% levy on the assessed value of property located within the City limits. In Fiscal Year 2019-20, property taxes generated approximately $12.7 million (including property taxes in-lieu of vehicle license fees). In Fiscal Year 2020-21 property taxes (including property taxes in-lieu of vehicle license fees) generated approximately $13.7 million. The City has estimated that property tax revenues will generate $14.3 million and has budgeted for $14.9 million in Fiscal Years 2021-22 and 2022-23, respectively (including property taxes in-lieu of vehicle license fees). The City's General Fund property tax revenues have been largely

unaffected by the COVID-19 Pandemic. See "Property Taxes" below for additional information relating to the property taxes and the assessed valuation of property located in the City.

Charges for Services. The City's charges for services consist of planning services fees and miscellaneous fees for the City's recreation and community services-related programs. Charges for services are the City's third largest source of General Fund revenues. In Fiscal Year 2019-20, charges for services generated approximately $6.1 million. In Fiscal Year 2020-21 charges for services generated approximately $6.3 million. The City has estimated that charges for services will generate $8.0 million and has budgeted for $7.9 million in Fiscal Years 2021-22 and 2022-23, respectively. The City's ability to set fees for services is limited under California law. Generally, a fee may not exceed the estimated reasonable cost of providing the service or product for which the fee is charged, plus overhead.

Licenses and Permits. The City's licenses and permits revenues consist of a business license tax, cannabis operator permits, and various building permits and animal licenses. Licenses and permits are the City's fourth largest source of General Fund revenues. In Fiscal Year 2019-20, licenses and permits generated approximately $4.8 million. In Fiscal Year 2020-21 licenses and permits generated approximately $5.7 million. The City has estimated that licenses and permits will generate $7.7 million and has budgeted for $6.5 million in Fiscal Years 2021-22 and 2022-23, respectively. While the City's licenses and permits revenues were affected by reduced business and commercial activities taking place in the City during the COVID-19 Pandemic, the City expects licenses and permits revenues to increase to historical norms as the effects of the COVID-19 Pandemic subside.

Property Taxes

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIIIA of the California Constitution, the county assessor's valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership.

Taxes are levied by the County Assessor for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued 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.

The City receives a share of property tax revenues for real property located within the City but may receive a lower portion of revenues within former redevelopment project areas. State law exempts $7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax 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 property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the SBE is commonly identified for taxation purposes as "utility" 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. A penalty of 10% attaches immediately to any delinquent payment. 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 delinquent taxes and the delinquency penalty, plus costs and prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes beginning the second month after the delinquent date, and on the first day of each month until paid. A county 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 County 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 delinquent taxpayer.

Assessed Valuation. The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the SBE. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution.

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. No reimbursement is made by the State for such exemptions. Property taxes allocated to the City are collected by the County at the same time and on the same tax rolls as are county and special district taxes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

The table below shows the assessed valuation of taxable property in the City for the ten most recent fiscal years.

Table 6
CITY OF MONTEBELLO
HISTORIC ASSESSED VALUATIONS
Fiscal Years 2012-13 to 2021-22

Fiscal Year Ending June 30,	Local Secured	Utility	Unsecured	Total Assessed Valuation	% Change
2006	$3,507,904,312	$30,385,099	$170,932,071	$3,709,221,482	n/a
2007	3,848,074,530	21,604,627	178,851,068	4,048,530,225	9.15%
2008	4,167,160,741	26,377,570	213,754,733	4,407,293,044	8.86
2009	4,453,657,847	39,836,244	221,899,005	4,715,393,096	6.99
2010	4,443,483,482	32,218,637	226,508,264	4,702,210,383	(0.28)
2011	4,378,348,647	56,545,427	232,706,940	4,667,601,014	(0.74)
2012	4,463,057,637	56,293,334	235,427,071	4,754,778,042	1.87
2013	4,556,675,666	54,142,738	222,865,075	4,833,683,479	1.66
2014	4,758,858,156	33,444,025	220,730,634	5,013,032,815	3.71
2015	4,928,160,376	41,703,454	228,888,587	5,198,752,417	3.70
2016	5,063,402,936	31,557,094	210,915,229	5,305,875,259	2.06
2017	5,282,681,403	20,057,286	223,110,011	5,525,848,700	4.15
2018	5,468,119,437	20,953,141	221,018,561	5,710,091,139	3.33
2019	5,794,732,247	20,402,706	238,293,460	6,053,428,413	6.01
2020	6,114,345,136	21,715,493	257,035,933	6,393,096,562	5.61
2021	6,420,376,449	21,262,293	271,902,181	6,713,540,923	5.01
2022	6,765,736,018	21,262,292	267,532,770	7,054,531,080	5.08

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the City's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately after an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the then current taxable value of the property (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for

such owner's property by filing a written application, in the form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must apply to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the City's control, including fire, earthquake or a depressed real estate market due to general economic conditions in the City, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the City in the future.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it

constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the City.

State-Assessed Property. Under the Constitution, the SBE assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the City to non-utility companies will increase the assessed value of property in the City, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the City to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the City as the value is shared among the other jurisdictions in the County. The City is unable to predict future transfers of State-assessed property in the City and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the City.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the City by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Table 7
CITY OF MONTEBELLO
ASSESSED VALUATION AND PARCELS BY LAND USE

	FY2021-22 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office	$1,019,098,992	15.06%	717	5.39%
Vacant Commercial	14,952,678	0.22	61	0.46
Industrial	1,111,871,480	16.43	347	2.61
Vacant Industrial	18,600,104	0.27	39	0.29
Recreational	18,382,469	0.27	17	0.13
Government/Social/Institutional	14,864,604	0.22	197	1.48
Miscellaneous	14,628,076	0.22	99	0.74
Subtotal Non-Residential	$2,212,398,403	32.70%	1,477	11.10%
Residential:				
Single Family Residence	$2,989,898,486	44.19%	88,934	67.13%
Condominium	280,403,998	4.14	1,051	7.90
Mobile Home	587,124	0.01	34	0.26
Mobile Home Park	9,373,035	0.14	4	0.03
2-4 Residential Units	506,389,486	7.48	1,249	9.39
5+ Residential Units/Apartments	610,201,917	9.02	387	2.91
Vacant Residential	156,483,209	2.31	172	1.29
Subtotal Residential	$4,553,337,615	67.30%	11,831	88.90%
Total	$6,765,736,018	100.00%	13,308	100.00%

Source: California Municipal Statistics, Inc.
(1) Total secured assessed valuation, excluding tax-exempt property.

Principal Taxpayers. Based on fiscal year 2021-22 locally assessed taxable valuations, the top twenty taxable property owners in the City represent approximately 16.66% of the total fiscal year 2021-22 taxable value. The following table shows the 20 largest owners of taxable property in the City as determined by secured assessed valuation in fiscal year 2021-22. The City is not aware of any plans by the top twenty largest local secured taxpayers to leave the City or terminate operations.

Table 8
CITY OF MONTEBELLO
LARGEST LOCAL SECURED PROPERTY TAXPAYERS

	Property Owner	Primary Land Use	FY2021-22 Assessed Valuation	% of Total[(1)]
1.	Metro Heights Montebello LLC	Residential Development	$ 205,546,677	3.04%
2.	Montebello Town Center	Shopping Center	196,418,473	2.90
3.	Bimbo Bakeries USA Inc.	Industrial	84,071,655	1.24
4.	Brixmor Montebello Plaza LP	Shopping Center	79,404,443	1.17
5.	KK 3A Corporation	Apartments	51,122,306	0.76
6.	Somerset Apartments LLC	Apartments	48,622,876	0.72
7.	Comref So CA Industrial	Industrial	46,718,982	0.69
8.	M and M at Montebello LLC	Commercial	41,650,000	0.62
9.	RreefAmerica REIT 11 corp. KKKK	Industrial	41,240,079	0.61
10.	Minson Investments Group LLC	Industrial	39,465,569	0.58
11.	KIR Montebello LP	Shopping Center	36,905,455	0.55
12.	Stanley A. Sirott	Apartments	35,448,258	0.52
13.	Combined Properties LP, Lessor	Shopping Center	34,427,500	0.51
14.	Prologs California 1 LLC	Industrial	34,358,478	0.51
15.	Phillip J. and Phyllis M. Pace, Trustees	Industrial	28,994,727	0.43
16.	Royal Paper Box Company of California	Industrial	26,563,256	0.39
17.	AMB Institutional Alliance Fund 111 LP	Industrial	25,609,267	0.38
18.	Sentinel Peak Resources CA LLC	Oil & Gas	23,899,607	0.35
19.	Guardian Life Insurance Company of America	Industrial	23,838,193	0.35
20.	Park Victoria Apartments LLC	Apartments	22,912,107	0.34
	Total Top 20		$1,127,217,908	16.66%

Source: California Municipal Statistics, Inc.
(1) FY2021-22 Local Secured Assessed Valuation: $6,765,736,018.

Tax Levies and Delinquencies. Beginning in 1978-79, Article XIIIA and its implementing legislation shifted the function of property taxation primarily to the counties, except for levies to support prior-voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The following tables reflects the historical secured tax levy and year-end delinquencies for property tax levies for property in the City for the most recent fiscal years.

TABLE 9
CITY OF MONTEBELLO
SECURED TAX CHARGE AND DELINQUENCY

Fiscal Year Ending June 30,	Secured Tax Charge [1]	Amount Delinquent June 30	% Delinquent June 30
2010	$4,690,733.42	$158,300.95	3.37%
2011	4,687,921.67	110,694.12	2.36
2012	4,801,663.63	98,459.20	2.05
2013	4,904,228.68	86,679.85	1.77
2014	5,115,059.55	74,214.32	1.45
2015	5,314,426.53	75,473.56	1.42
2016	5,437,457.99	75,925.48	1.40
2017	5,655,763.80	66,173.32	1.17
2018	5,872,622.32	71,885.24	1.22
2019	6,197,146.22	83,463.94	1.35
2020	6,555,828.53	145,799.96	2.22
2021	6,871,077.75	115,521.53	1.68

Source: California Municipal Statistics, Inc.
(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects countywide delinquency rate.

No Teeter Plan. The Los Angeles 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 and Use Taxes

A sales tax is imposed on the privilege of consuming personal property in the State. The State 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 Sales Tax"). In addition, many of the State's cities, counties, districts 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. While more than one district tax may be in effect for a particular location, counties, municipalities, and districts are allowed to increase the sales tax in specific jurisdictions up to a total of 10.25%.

Measure H. On March 3, 2020, approximately 61% of the voters of the city approved Measure H, a 0.75% sales tax on retail transactions. The proceeds of Measure H will be available to the General Fund once collection begins on July 1, 2020. Prior to the COVID-19 Pandemic, the City had estimated that Measure H would provide an additional $6 million per year to the City's General Fund revenues, however actual

Measure H sales tax collections for Fiscal Year 2020-21 were approximately $7.7 million. Measure H taxes will be collected in perpetuity unless otherwise repealed by the City's voters.

Five separate district taxes are levied on sales in the City by the Los Angeles County Metropolitan Transportation Authority, each having approved by the voters in Los Angeles County. The applicable sales taxes include Measure H taxes, Measure M taxes, Measure R taxes, Proposition C taxes and Proposition A taxes.

The following table shows a breakdown of the composition of the current sales and use tax rate applicable to transactions in the City:

Table 10
CITY OF MONTEBELLO
CURRENT SALES AND USE TAX RATES

Component	Tax Rate
State General Fund	7.25%
Los Angeles County	0.25
Measure H[(1)]	0.75
Measure M	0.50
Measure R	0.50
Proposition C	0.50
Proposition A	0.50
Total	10.25%

Source: City of Montebello
(1) Measure H sales tax collections began on July 1, 2020.

The State's Department of Tax and Fee Administration actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

Many categories of transactions are exempt for the State Sales Tax. The most important of these exemptions are the sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas and electricity and water when delivered to consumers through mains, lines and pipes. In addition, occasional sales (i.e., sales of property not held or used by a seller during activities for which he or she is required to hold a seller's permit) are generally exempt from both the State Sales Tax; however, the occasional sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on revenues produced by sales taxes. The City is not currently aware of any proposed legislative change that would have a material adverse effect on the State Sales Tax.

The City anticipates that the Topgolf project, if completed, will generate additional sales tax revenues for the City.

Other Sources of General Fund Revenues

In addition, the City receives approximately 15-20% of its annual General Fund revenues from franchise taxes, fines and forfeitures, and other taxes and revenues.

No Material Reliance on State Revenues

The City does not rely on the State for a material amount of revenues. There can be no assurance that future State budget difficulties will not adversely affect the City's revenues or its ability to make the Lease Payments when due. See "STATE BUDGET INFORMATION."

OTHER FINANCIAL INFORMATION

Labor Relations

Currently 541 full-time City employees are covered by negotiated agreements as detailed in the table below. The City also employs part-time employees unrepresented by a collective bargaining unit. Depending on the season, the City employs up to 100 part-time employees.

Table 11
CITY OF MONTEBELLO
NEGOTIATED EMPLOYEE AGREEMENTS

Bargaining Unit	Contract Expiration Date
MFFA	6/30/25
MCEA	6/30/25
MSA	6/30/25
MPMA	6/30/23
MFMA	6/30/25
MPOA	6/30/23
MMMA	6/30/25
MEMA	6/30/23
MMPA	6/30/25
SMART-TD [1]	12/31/21

Source: City of Montebello
(1) Currently under renegotiation.

Risk Management

The City is partially self-insured for general liability and workers' compensation claims. The City pays up to $1 million per occurrence for general liability claims and has excess insurance up to $10 million per occurrence. For workers' compensation, the City provides self-insurance up to a $1,000,000 retention level and has acquired excess insurance coverage of $5 million for each claim. The City also purchases commercial insurance for other risks of loss, including property loss and vehicle physical damage.

For additional information about the City's Risk Management, see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 11.

Employee Retirement Plans

The information set forth below regarding the California Public Employees' Retirement System ("CalPERS") program, other than the information provided by the City regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the City or the Underwriter.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost- Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three miscellaneous 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.

Benefits Provided. 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 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) 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 Special Death Benefit (Safety only), 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.

Employees Covered. On June 30, 2021, the following employees were covered by the benefit terms for each Plan.

TABLE 12
CITY OF MONTEBELLO
DEFINED BENEFIT PENSION PLAN
COVERED EMPLOYEES

	Safety Plan	Misc. Plan
Inactive employee or beneficiaries currently receiving benefits	283	440
Inactive employees entitled to but not yet receiving benefits	111	452
Active employees	110	310
Total	504	1,202

Source: City of Montebello 2020-21 ACFR.

Contributions. 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 both 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.

The City's combined contributions to its Miscellaneous and Safety Plans for the most recent is summarized in the following table.

Table 13
CITY OF MONTEBELLO
HISTORICAL PENSION CONTRIBUTIONS

Fiscal Year Ending June 30,	Miscellaneous Plan	Safety Plan	Total Combined Contributions
2017	$ 3,474,912	$ 5,153,218	$ 8,628,130
2018	3,893,457	5,358,752	9,252,209
2019	4,404,730	6,104,047	10,508,777
2020	5,051,169	6,932,392	11,983,561
2021 [(1)]	61,879,526	103,113,849	164,993,375

Source: City of Montebello fiscal year 2020-21 Annual Comprehensive Financial Report.

(1) FY2020-21 amounts reflect the issuance of Pension Obligation Bonds by the City in May of 2020 and the application of the proceeds thereof to the City's unfunded actuarial liability. For additional discussion, see "2020 Pension Obligation Bonds" below.

2020 Pension Obligation Bonds. In May 2020 the City issued over $153.4 million in Pension Obligation Bonds (POBs). The City used the proceeds from the POBs to pay down the unfunded liability from the City's Miscellaneous and Safety defined benefit retirement programs. The debt service for the POBs will be paid using revenue from the City's 1946 voter approved property tax override assessment (the "Retirement Tax" as more fully described below.)

Retirement Tax. In 1946, the voters of the City approved an initiative to pay for the obligation of the City to participate in the State's retirement system, now CalPERS. The City first approved a contract with such system on July 20, 1946, pursuant to City Council Ordinance 398. Since that year, the City Council has annually set an ad valorem property tax rate for the purpose of providing revenue to pay all or a portion of the City's pension obligations under the CalPERS Contract. Once the property tax rate is established for each fiscal year, the City reports the rate to the Los Angeles County Auditor-Controller to place the tax (the "Retirement Tax") on the property tax roll of the County. Since the adoption of Ordinance No. 2148 in 1996, (the "1996 Ordinance") the Retirement Tax has been set at a rate of $0.197875 per one hundred dollars ($100) assessed valuation (as further set forth in Montebello Municipal Code Section 3.28.020). The $0.197875 rate established in the 1996 Ordinance was consistent with the rate imposed for more than a decade prior to adoption of the 1996 Ordinance and is the rate of the Retirement Tax currently imposed by the City.

The City accounts for the Retirement Tax in its Retirement Fund. Amounts in the Retirement Fund are used to pay the debt service on the 2020 Pension Obligation Bonds and for making transfers to the General Fund and other funds to reimburse current year pension-related expenses and accruals. While the amount of the Retirement Tax collected in each year has always exceeded the amounts needed to pay any

amortized amounts due on the City's unfunded accrued actuarial liabilities, debt service on the City's pension obligations bonds, and current year normal costs, any retirement related expenses above and beyond available Retirement Tax would be borne directly by the General Fund. For additional discussion of the Retirement Fund, see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2021, the City recognized pension expense of $8,523,612 and $4,902,822 for the safety and miscellaneous plans, respectively. On June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 14
CITY OF MONTEBELLO
DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
Fiscal Year 2020-21

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after measurement date	$1,819,035	-	$2,711,170	-
Diff. btw. actual and expected experience	544,728	$(1,181,589)	667,700	$(198,753)
Changes in assumptions	-	-	-	-
Net diff. btw. projected and actual earnings on investment	2,796,645	-	4,047,677	-
Differences in proportions	-	-	-	-
Changes in employer's portion	-	-	-	-
Total	$5,160,408	(1,181,589)	$7,426,547	(198,753)

Source: City of Montebello fiscal year 2020-21 Annual Comprehensive Financial Report.

For information concerning the City's pension obligations, including descriptions of the actuarial methods and assumptions, and an explanation of the discount rate used, please see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 9.

Funded Status. The following table sets forth a summary of the funding progress for the City's combined Plans for the most recent actuarial valuation dates.

Table 15
CITY OF MONTEBELLO
HISTORICAL PENSION FUNDING PROGRESS

Fiscal Year Ended June 30,	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll
		Miscellaneous Plans			
2017	$ 184,685,849	$ 135,375,506	$ 49,310,343	73.3%	$ 15,478,032
2018	199,411,423	143,297,840	56,113,583	71.9	15,615,903
2019	204,648,711	149,205,267	55,443,444	72.9	15,526,624
2020[(1)]	212,900,496	208,891,340	4,009,156	98.1	17,548,526
2021	226,900,920	247,293,268	(20,392,348)	109.0	16,589,899
		Safety Plans			
2017	240,979,264	159,428,488	81,550,776	66.2%	10,978,986
2018	259,912,002	167,163,184	82,748,818	64.3	10,642,028
2019	267,600,897	172,529,486	95,071,411	64.5	11,179,063
2020[(1)]	279,391,066	271,122,117	8,268,949	97.0	12,642,485
2021	297,533,090	320,670,419	(23,137,329)	107.8	12,095,231

Source: CalPERS June 30, 2021, Actuarial Valuation Report for the City.
(1) FY2019-20 amounts reflect the issuance of Pension Obligation Bonds by the City in May of 2020 and the application of the proceeds thereof to the City's unfunded actuarial liability. For additional discussion, see "2020 Pension Obligation Bonds" above.

CalPERS Amortization Period Reform. On February 13, 2018, the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period began with new gains or losses accrued starting with the June 30, 2019, actuarial valuations. The first payments on the new 20-year amortization schedule took place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability ("UAL") contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The announcement on July 12, 2021 that CalPERS achieved an investment return of 21.3% for the period from July 1, 2020 through June 30, 2021 caused the CalPERS Board of Administration to lower CalPERS' discount rate from 7.00% to 6.80% on November 15, 2021 in accordance with a risk mitigation

policy that was adopted in 2015, which calls for the discount rate to be lowered if returns exceed the then-current discount rate by two or more percentage points.

The City cannot currently estimate the impact the shorter amortization period or lower discount rate will have on its required contributions for its Miscellaneous and Safety Plans. For information concerning the Plans, including descriptions of the actuarial methods and assumptions, please see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 9.

Other Post-Employment Benefits

Plan Description. The City provides postemployment healthcare benefits to eligible employees at retirement through a single employer defined benefit other postemployment benefits plan administered by the City (the "OPEB Plan"). Benefit provisions are established through agreements and memorandums of agreement between the City, its management employees, and unions representing the City's employees.

Employees Covered. Membership of the OPEB Plan consisted of 343 active employees, 0 inactive members entitled to but not yet receiving benefits, and 181 retirees and beneficiaries receiving benefits on June 30, 2021.

Funding Policy. The City's OPEB Plan is not funded. The City finances OPEB benefits on a pay-as-you-go basis.

Changes In Net OPEB Liability. The following table shows the changes in the City's net obligation to the OPEB Plan in fiscal year 2020-21:

Table 16
CITY OF MONTEBELLO
CHANGE IN NET OPEB LIABILITY
Fiscal Year 2020-21

Service cost	$ 1,000,546
Interest on OPEB liability	1,060,584
Dif. btw. actual and expected experience	(2,969,308)
Changes in assumptions	2,769,257
Employer contributions	(1,422,435)
Net changes	438,644
Net OPEB obligation, beginning of the year	29,920,612
Net OPEB obligation, end of the year	$30,359,256

Source: City of Montebello fiscal year 2020-21 Annual Comprehensive Financial Report.

The following table shows a four-year history of the City's outstanding OPEB Plan obligation.

Table 17
CITY OF MONTEBELLO
HISTORIC OPEB LIABILITY

Fiscal Year Ending June 30,	Net OPEB Obligation (UAAL)
2018	$ 28,012,070
2019	29,957,149
2020	29,920,612
2021	30,359,256

Source: City of Montebello fiscal year 2020-21 Annual Comprehensive Financial Report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

For information concerning the City's OPEB obligations, including descriptions of the actuarial methods and assumptions, please see APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 10.

Impact of Enterprise Operations on the City's General Fund

The City's General Fund faces risks of unbudgeted expenditures from a number of its related enterprise operations as described below.

City Golf Course and Quiet Cannon Event Center. The City owns the City Golf Course and the adjacent Quiet Cannon Event Center (the "Event Center"). The City records revenues from the City Golf Course and the Event Center in its Golf Course Fund. Revenues in the Golf Course Fund include green fees, special event revenue, and rent and concession revenue from the Event Center. Expenses in the Golf Course Fund include administrative costs, maintenance and labor costs, and debt service.

The City has, in recent years, made transfers from its General Fund to cover operating losses from the City Golf Course and the Event Center accounted for in the Golf Course Fund. The following table shows a 5-year history of transfers from the City's General Fund to the Golf Course Fund.

Table 18
CITY OF MONTEBELLO
GENERAL FUND TRANFERS OUT TO GOLF COURSE FUND

Fiscal Year Ending June 30,	Transfer Out From General Fund to Golf Course Fund
2018	$963,320
2019	641,850
2020	751,000
2021	471,300
2022 [(1)]	471,300

Source: City of Montebello fiscal year 2016-17 though 2020-21 Annual Comprehensive Financial Reports.
(1) Projected based on actual fiscal year 2020-21 results.

While the City believes that the completion of the Project and the completion of improvements to the City Golf Course will have a positive, material impact on the operating results of the Golf Course Fund, if and to the extent such Golf Course Fund revenues do not exceed Golf Course Fund expenditures, additional transfers out from the City's General Fund may be required. The City cannot project with certainty whether the revenues in the Golf Course Fund will exceed expenditures for current and future years.

Hilton Garden Inn. Lease payments made from the City's General Fund are the primary source of security for the Montebello Public Finance Authority's Taxable Lease Revenue Bonds, 2019 Series A (Hilton Garden Inn Project) (the "HGI Bonds"), if net revenues from the Montebello Hilton Garden Inn (the "Hilton Garden Inn") are insufficient to make debt service payments on the HGI Bonds. The City has not previously and does not anticipate needing to make transfers from its General Fund to pay debt service on the HGI Bonds, however changing economic circumstances could make such transfers necessary in the future if the net revenues from the Hilton Garden Inn are insufficient to pay debt service on the HGI Bonds. The HGI Bonds are secured by and payable from a cash funded debt service reserve fund. The maximum annual debt service on the HGI Bonds is $1,067,000.

Home2Suites. Lease payments from the City's General Fund are also the primary source of security for the Montebello Public Finance Authority's Taxable Lease Revenue Bonds, 2016 Series A (Montebello Home2Suites By Hilton Hotel Project) (the "H2S Bonds"), if net revenues from the Montebello Home2Suites By Hilton Hotel (the "Home2Suites") are insufficient to make debt service payments on the H2S Bonds. The City has not previously and does not anticipate needing to make transfers from its General Fund to pay debt service on the H2S Bonds, however changing economic circumstances could make such transfers necessary in the future if the net revenues from the Home2Suites are insufficient to pay debt service on the H2S Bonds. The H2S Bonds are secured by and payable from a cash funded debt service reserve fund. The maximum annual debt service on the H2S Bonds is $3,652,000.

Topgolf Project. Lease Payments from the City's General Fund are also the primary source of security for the Series 2022B Bonds. While the City does not anticipate needing to make transfers from its General Fund to pay debt service on the Series 2022B Bonds, changing economic circumstances could make

such transfers necessary in the future if Sublease Payments from Topgolf Montebello under the Sublease are insufficient to make debt service payments on the Series 2022B Bonds and Topgolf International does not make payment under the Guaranty. The maximum annual debt service on the Series 2022B Bonds is $_____.

For additional detail and discussion of the impacts of certain of the City's enterprise operations on its General Fund, see "RISK FACTORS—Impact of Enterprise Operations on the City's General Fund" and "RISK FACTORS—Ability of the City's General Fund to Make Lease Payments."

Debt Obligations

The City has the follow outstanding bonds payable in whole or in part from its General Fund:

Issue	Outstanding Par Amount	Final Maturity
Montebello Public Financing Authority Lease Revenue Refunding Bonds, 2014 Series A	$1,455,000	11/1/2028
Montebello Public Financing Authority Lease Revenue Refunding Bonds, 2014 Series B	$4,525,000	11/1/2028
Montebello Public Financing Authority Taxable Lease Revenue Refunding Bonds, 2014 Series C	$1,386,660	11/1/2024
Montebello Public Financing Authority Taxable Lease Revenue Bonds, 2016 Series A (Montebello Home2 Suites by Hilton Hotel Project)[(1)]	$51,685,000	6/1/2046
Montebello Public Financing Authority Lease Revenue Refunding Bonds, 2019 Series A (Hilton Garden Inn Project)[(2)]	$9,550,000	12/1/2034
City of Montebello Taxable Pension Obligation Bonds, Series 2020[(3)]	$143,015,000	6/1/2045
Montebello Public Financing Authority Lease Revenue Bonds, Series 2022A		

(1) The payments made by the Hilton Garden Inn are the primary source of the debt service payments on the HGI Bonds. The City will make such payments from its General Fund if such payments are not made by the Hilton Garden Inn.

(2) The payments made by Home2Suites are the primary source of the debt service payments on the H2S Bonds. The City will make such payments from its General Fund if such payments are not made by Home2Suites.

(3) The City's Pension Tax Override Revenues are the primary source of the debt service payments on the H2S Bonds City of Montebello Taxable Pension Obligation Bonds, Series 2020. The City will make such payments from its General Fund if such payments are not available from Pension Tax Override Revenues.

See APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 10, for other obligations of the City not payable from its General Fund.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective August 1, 2022. The Debt Report is included for general information purposes only. Neither the City nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither the City nor the Underwriter makes any representation 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 only from the General Fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the City; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City's assessed valuation represented in column 2.

Table 19
CITY OF MONTEBELLO
DIRECT AND OVERLAPPING BONDED DEBT
as of August 1, 2022

CITY OF MONTEBELLO

2021-22 Assessed Valuation: $7,054,531,080

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 8/1/22
Metropolitan Water District	0.208%	$ 41,964
Los Angeles Community College District	0.705	28,205,147
El Rancho Unified School District	0.004	3,731
Los Angeles Unified School District	0.001	102,373
Montebello Unified School District	36.143	53,953,036
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		$82,306,251
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Series H and J Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment		1,549
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT		$82,304,702
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	0.398%	$ 10,653,334
Los Angeles County Superintendent of Schools Certificates of Participation	0.398	13,546
Los Angeles County Sanitation District No. 2 Authority	9.085	137,902
Los Angeles County Sanitation District No. 15 Authority	0.702	10,907
Los Angeles Unified School District Certificates of Participation	0.001	1,207
Montebello Unified School District Certificates of Participation	36.143	1,913,772
City of Montebello General Fund Obligations	**100.000**	**69,786,441**[1]
City of Montebello Pension Obligation Bonds	**100.**	**143,015,000**
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$225,532,109
***Less*: City of Montebello Obligations supported from golf and hotel revenues**		**10,628,340**
City of Montebello Obligations Pension Obligation Bonds supported by Transit Fund		**38,142,101**
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$176,761,668
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100.000 %	$13,668,389
GROSS COMBINED TOTAL DEBT		$321,506,749[2]
NET COMBINED TOTAL DEBT		$272,734,759

Ratios to 2021-22 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt	1.17%
Total Net Overlapping Tax and Assessment Debt	1.17%
Total Gross Direct Debt ($212,801,441)	**3.02%**
Total Net Direct Debt ($164,031,000)	**2.33%**
Gross Combined Total Debt	4.56%
Net Combined Total Debt	3.87%

Ratios to Redevelopment Successor Agency Incremental Valuation ($2,259,537,762):

Total Overlapping Tax Increment Debt	0.60%

Source: California Municipal Statistics, Inc.

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

STATE BUDGET INFORMATION

Information regarding the State Budget is regularly available at various State-maintained websites. The fiscal year 2022-23 State Budget further described below can be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and neither the City nor the Underwriter takes responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Budget Process. Through the State budget process, the State enacts legislation that significantly impacts the source, amount and timing of the receipt of revenues by local agencies, including the City. As in recent years, State budget deficits can result in legislation that adversely impacts local agency budgets.

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures more than projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the City and is not incorporated herein by reference.

The State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's Rule 15c2-12 filings for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget and the State budget process in greater detail.

The State Legislative Analyst's Office ("LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

2022-23 State Budget

The Governor signed the fiscal year 2022-23 State budget on June 27, 2022, which was amended through a series of legislative bills, many of which were signed by the Governor on June 30, 2022 (as amended, the "2022-23 State Budget"). The 2022-23 State Budget projects a budget surplus of $7.8 billion, down from a surplus of $22.4 billion in the state's 2021-22 fiscal year. The 2022-23 State Budget projects a decline in general fund revenue levels of $10 billion from fiscal year 2021-22 levels (from $232.7 billion to $222.6 billion) caused primarily from reduced corporation tax collections. The 2022-23 State Budget offsets the reduction in revenues with a $8.6 billion reduction to general fund expenditures as compared to fiscal year 2021-22 levels (from $242.9 billion to $234.3 billion) with the largest reductions in expenditures occurring in expenditures for government operations. The 2022-23 State Budget projects a draw-down of the State's operating reserve from $18.2 billion in fiscal year 2021-22 to $3.5 billion, but project increases in the state's public school system stabilization account (from $7.3 billion to $9.5 billion) and rainy-day fund (from $20.3 billion to $23.3 billion).

The State Appropriations Limit, or Gann Limit, caps the amount of revenues from proceeds of taxes that can be appropriated by the State, which serves to constrain State spending. Any excess revenues appropriated above the State's limit over a two-year period must ultimately be reallocated evenly between schools and taxpayer refunds. The 2022-23 State Budget projects the State to be $11 billion below the limit based on statutory changes enacted as part of the 2022-23 State Budget, which includes expanding the definition of State subventions that must first be accounted for in local limits and revising levels of excluded spending in 2021-22.

Legislative Analyst's Office Analysis. An analysis by the non-partisan, Legislative Analyst's Office (the "LAO"), published on the LAO website on August 12, 2022 (the "LAO Analysis"), has identified approximately $70.2 billion of discretionary general spending in the 2022-23 State Budget. The $70.2 billion amount includes: (1) the $36.4 billion in spending using the overall general fund surplus and (2) the $33.8 billion surplus within the school and community college budget. Schools and community colleges will receive the largest spending allocations reflecting the significant growth in Proposition 98. For non-educational discretionary spending choices, the LAO Analysis determined that roughly 95% of the surplus was devoted to one-time or temporary purposes, with most spending amounts were dedicated to resources and the environment, transportation, health, and housing and homelessness.

The following is a summary of certain significant areas of general fund discretionary spending identified by the LAO Analysis in the 2022-23 State Budget. Reference should be made to the complete LAO Analysis and the 2022-23 State Budget for additional detail.

One-Time Refund Payments to California Taxpayers. The 2022-23 State Budget includes $9.5 billion in general fund spending for a one-time tax refund payment, the Better for Families tax refund. Payments will be made to taxpayers with adjusted gross incomes ("AGI") below $500,000 (for joint filers) and $250,000 (for single filers). The payment amount is based on AGI, with larger payments going to taxpayers with lower income levels. For example, a married couple with two children whose AGI was

$100,000 will receive $1,050. A similar family with AGI of $300,000 will receive $600. The Stated intent of the refund is to help offset higher costs resulting from recent inflation.

Energy Package. The 2022-23 State Budget includes a total of $8.1 billion across five years from the general fund for energy-related activities. This includes $4.3 billion, $2.3 billion in 2021-22 and $2 billion in 2022-23, appropriated for specific activities, such as actions to ensure there is adequate Statewide electricity supply over the next few years, financial support to cover unpaid household energy bills that accrued during the pandemic and incentives for long-duration storage projects.

Drought Response and Resilience. The 2022-23 State Budget includes $2 billion from the general fund to respond to current drought conditions, as well as for activities to prepare for future droughts. This includes $1.2 billion, $1.14 billion in 2021-22 and $55 million in 2022-23, appropriated for specific activities such as actions to improve water conservation, drinking water supplies and projects, grants for repairs to community water systems and steps to protect fish and wildlife from drought impacts.

Wildfire Resilience and Response. The 2022-23 State Budget provides a total of $800 million over three years from the general fund for improving landscape health and wildfire resilience. The 2022-23 State Budget also provides roughly $850 million in 2022-23, of which about $500 million is ongoing, almost entirely from the general fund, for various augmentations aimed at enhancing the State's wildfire response. These augmentations mainly support additional personnel and equipment at the California Department of Forestry and Fire Protection, but also provide wildfire response resources for the Governor's Office of Emergency Services, California Military Department and California Conservation Corps.

Zero-Emissions Vehicles (ZEV). The 2022-23 State Budget provides a total of $6.1 billion over five years for Zero-Emissions Vehicles ("ZEV"). programs. This includes $2.6 billion from various funds for specific programs, such as $1.5 billion from Proposition 98 general fund for zero-emission school buses, $600 million from the Greenhouse Gas Reduction Fund for heavy-duty vehicle incentives and $383 million in federal funds for ZEV fueling infrastructure.

Retention Payments for Workers in Certain Health Care Facilities. The 2022-23 State Budget includes roughly $1.1 billion from the general fund in 2021-22 to provide one-time retention payments to eligible workers in certain health care facilities, including hospitals and skilled nursing facilities. Eligible workers could receive up to $1,500 from the State. A similar payment is being included in labor bargaining agreements for State employees, paid using a mix of general fund and other funds.

Behavioral Health. The 2022-23 State Budget includes roughly $2 billion in general fund expenditures in 2022-23, approved in the prior year, as part of the multiyear Children and Youth Behavioral Health Initiative. This initiative funds a variety of programs administered by multiple State departments intended to transform behavioral health service delivery for children and youth under age 25. In addition, the 2022-23 State Budget includes $1 billion from the general fund in 2022-23 ($1.5 billion general fund over two years) to establish a State-level Behavioral Health Bridge Housing program, which will support the creation of immediate, clinically enhanced housing settings for people experiencing homelessness with serious behavioral health conditions.

Medi-Cal Coverage Expansion to Remaining Undocumented Populations. In recent years, the State has taken steps to expand eligibility for comprehensive Medi-Cal coverage to undocumented residents under the age of 26 as well as those over the age of 49. The 2022-23 State Budget expands eligibility for

comprehensive Medi-Cal coverage to otherwise-eligible undocumented residents between the ages of 26 and 49 beginning no later than January 1, 2024.

Housing and Homelessness. The 2022-23 State Budget authorizes an additional $4.8 billion from the general fund over three years to nearly 20 major housing and homelessness programs within the Business, Consumer Services, and Housing Agency and the Housing and Community Development Department. Most of the funding is one time or temporary. However, the 2022-23 State Budget does provide $34 million in ongoing funding beginning in 2023-24 for housing assistance for foster youth and former foster youth. Most of the funding, $2.9 billion from the general fund, is primarily for housing-related proposals, while $1.9 billion from the general fund is allocated primarily towards homelessness-related programs. Some of the major uses of housing and homelessness funding in the 2022-23 State Budget would support encampment resolutions; provide flexible aid to local governments to help address homelessness in their communities; fund affordable housing development; and establish a new homeownership program. The 2022-23 State Budget also provides funding that could be used to help address homelessness and/or housing affordability in other program areas, including the health, courts, and higher education areas.

For additional information regarding the 2022-23 State Budget, please see the Department of Finance website at ebudget.ca.gov. For additional information regarding the LAO Analysis, please see the Legislative Analyst's Office website at lao.ca.gov. The City can take no responsibility for the continued accuracy of the above-referenced internet address as for the or for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by reference.

Though the City does not expect that the 2022-23 State Budget will have a materially negative effect on its finances, the City cannot predict such impacts with certainty. Additionally, the City cannot predict the accuracy of any projections made in the 2022-23 State Budget.

Future State Budgets. The City receives a portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the City and other cities in the State.

In addition, the City cannot predict the outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control. See also "RISK FACTORS—Dependence on State for Certain Revenues."

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIIIA of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to the California Constitution, among other things affects the valuation of real property for the

purpose of taxation in that it defines the full cash property value to mean "the county 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 newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently approved various measures which further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIIIA. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are "severely disabled," to transfer the old residence's assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the November 1990 election, the voters approved an amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property because of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property.

Section 4 of Article XIIIA also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees more than the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIB of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIIIB to the California Constitution. In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits the annual appropriations 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 annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is Fiscal Year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the City in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the City's option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth and change in attendance at local school and community college ("K-14") districts.

Article XIIIB permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Articles XIIIC and XIIID (Proposition 218) of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution and contained several interrelated provisions affecting the ability of local governments, including the City, to levy and collect both existing and future taxes and assessments, fees and charges.

Section 2 of Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and requires two thirds voter approval for the imposition, extension or increase of special taxes. These voter approval requirements of Article XIIIC reduce the flexibility of the City to raise revenues by the levy of general or special taxes and, given such voter approval requirements, no assurance can be given that the City will be able to enact, impose, extend or increase any such taxes in the future to meet increased expenditure requirements.

Although a portion of the City's General Fund revenues are derived from general taxes purported to be governed by Proposition 218, all of such taxes were either imposed, extended or increased prior to the effective date of Proposition 218 or in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges, such as the TOT, Proposition 172 revenues, or storm water fees which support the City's General Fund. TOT and other local taxes, assessments, fees and charges, could be subject to reduction or repeal by initiative under Proposition 218.

Section 3 of Article XIIIC expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. Section 3 expands the initiative power to include reducing or repealing assessments, fees and charges that had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, the effective date of Proposition 218, and absent other legal authority could result in the reduction in any existing taxes, assessments or fees and charges imposed prior to November 6, 1996.

"Fees" and "charges" are not expressly defined in Article XIIIC or in SB 919, the Proposition 218 Omnibus Implementation Act enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions in complying with Article XIIIC and Article XIIID ("SB 919"). However, on July 24, 2006, the California Supreme Court ruled in Bighorn-Desert View Water Agency v. Virjil (Kelley) (the "Bighorn Decision") that charges for ongoing water delivery are fees and charges within the meaning Section 3 of Article XIIIC. The California Supreme Court held that such water service charges may, therefore, be reduced or repealed through a local voter initiative pursuant to Section 3 of Article XIIIC. The Bighorn Decision has been interpreted to mean that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

In the Bighorn Decision, the Supreme Court stated that nothing in Section 3 of Article XIIIC authorizes initiative measures that impose voter-approval requirements for future increases in fees or charges for water delivery. The Supreme Court stated that water providers may determine rates and charges upon proper action of the governing body and that the governing body may increase a charge which was not affected by a prior initiative or impose an entirely new charge.

The Supreme Court further stated in the Bighorn Decision that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water and wastewater service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Additionally, SB 919 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution.

Article XIIIC also removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

If the City is unable to continue to collect assessment revenues for a particular program, the program might have to be curtailed and/or funded by the City's General Fund. Given the approval requirements imposed by Article XIIID, the City is unable to predict whether it will be able to continue to collect assessment revenues for these programs. If the City chose to fund any such programs from the General Fund instead, the General Fund budget would be affected.

Article XIIID defines a "fee" or "charge" as any levy other than an ad valorem tax, special tax, or assessment imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service. A "property-related service" is defined as "a public service having a direct relationship to a property ownership" herein. Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership. In the Bighorn Decision, the Supreme Court stated that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, if and to the extent that a fee or charge imposed by a local government for water service is ultimately determined to be a "fee" or "charge" as defined in Article XIIID, the local government's ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIIID also includes a number of limitations applicable to existing fees and charges including provisions to the effect that (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and (iv) no such fee or charge may be imposed for a service unless that

service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Depending on the interpretation of what constitutes a "property-related fee" under Article XIIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. If fees and charges of enterprise funds cannot be appropriately increased or are reduced pursuant to exercise of the initiative power, the City may have to decide whether to supplement any deficiencies in these enterprise funds with moneys from the General Fund or to curtail service, or both.

The interpretation and application of Proposition 218 will ultimately be determined by the courts or through implementing legislation with respect to several the matters described above, and it is not possible at this time to predict with certainty the outcome of such determination or the nature or scope of any such legislation.

Both Articles XIIIA and XIIIB, as well as Articles XIIIC and XIIID described above, were adopted as measures that qualified for the ballot pursuant to California's constitutional initiative process. From time-to-time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

Proposition 1A of 2004

The California Constitution and existing statutes give the legislature authority over property taxes, sales taxes and the VLF. The legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State "mandates" a new local program or higher level of service. Due to the ongoing financial difficulties of the State, it has not provided in recent years reimbursements for many mandated costs. In other cases, the State has "suspended" mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

The 2004 Budget Act, related legislation and the enactment of Proposition 1A of 2004 (described below) dramatically changed the State-local fiscal relationship. These constitutional and statutory changes implemented an agreement negotiated between the Governor and local government officials (the "State-local agreement") in connection with the 2004 Budget Act.

One change related to the reduction of the VLF rate from 2% to 0.65% of the market value of the vehicle. To protect local governments, which had previously received all VLF revenues, the 1.35 percent reduction in VLF revenue to cities and counties from this rate change was backfilled by an increase in the amount of property tax revenues they receive. This worked to the benefit of local governments, because the backfill amount annually increases in proportion to the growth in secured roll property tax revenues, which has historically grown at a higher rate than VLF revenues. Proposition 1A of 2004 requires the State to provide local governments with equal replacement revenues.

On November 3, 2004, the voters of the State approved Proposition 1A ("Proposition 1A of 2004"). Proposition 1A of 2004 amended the State Constitution to, among other things, reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property tax, sales tax, and VLF revenues as of November 3, 2004. Pursuant to Proposition 1A of 2004, the State can borrow up to 8% of local property tax revenues but only if the Governor proclaims such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. Any amounts borrowed are required to be repaid within three years. Proposition 1A of 2004 also permits the State to borrow from local property tax revenues for no more than two fiscal years within a period of 10 fiscal years, and only if previous borrowings have been repaid. In addition, the State cannot reduce the local sales tax rate or restrict the authority of the local governments to impose or change the distribution of the statewide local sales tax. Proposition 1A of 2004 generally prohibits the State from mandating activities on cities, counties, or special districts without providing the funding needed to comply with the mandates, and if the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties, or special districts to abide by the mandate is suspended. Proposition 1A of 2004 also expanded the definition of what constitutes a mandate to encompass State action that transfers to cities, counties, and special districts financial responsibility for a required program for which the State previously had partial or complete responsibility. The State mandate provisions of Proposition 1A of 2004 do not apply to schools or community colleges or to mandates relating to employee rights.

Pursuant to statutory changes made in conjunction with amendments to the fiscal year 2008-09 State Budget Act, the Fiscal Year 2009-10 State Budget Act and related budget legislation adopted by the State Legislature and signed by the Governor in February 2012 (collectively, the "February 2012 Budget Package"), the VLF rate increased from 0.65% to 1.15% effective May 19, 2012. Of this 0.50% increase, 0.35% will flow to the State general fund, and 0.15% will support various law enforcement programs previously funded by the State general fund.

Proposition 22

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See " – Proposition 1 A of 2004" herein. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase schools' and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula

setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO anticipated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow need. The City does not believe that Proposition 22 will have a significant impact on its revenues and expenditures.

Proposition 26

Proposition 26 ("Proposition 26"), which was approved by California voters on November 2, 2010, revises the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require such two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010, with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (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; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the City's fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to

the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Proposition 19

On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment ("Proposition 19"), which will: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The City cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the City.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID, Propositions 1A, 22, 26 and 19 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2022B Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Series 2022B Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Series 2022B Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Series 2022B Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Bonds are Unsecured General Fund Obligations of the City

The obligation of the City to make Lease Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

The Indenture does not create a pledge, lien or encumbrance upon the funds of the City. Pursuant to law, the Series 2022B Bonds are payable from any available funds of the City. The City covenants in the Facility Lease to punctually pay the interest on and principal of every Bond in strict conformity with the terms thereof and of the Indenture. The City is liable and may become liable on other obligations payable from general revenues, some of which may have a priority over payments of the principal of, and interest on, the Series 2022B Bonds, or which the City, in its discretion, may determine to pay prior to the principal of, and interest on, the Series 2022B Bonds.

A variety of national, state or regional factors, which are beyond the control of the City could reduce the City's General Fund revenues or increase the City's General Fund expenditures. If the amounts which the City is obligated to pay in a Fiscal Year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including payments on the Series 2022B Bonds, 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. See "STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS."

The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Series 2022B Bonds and has expressly reserved the right to issue or incur other obligations for any of its corporate purposes. To the extent that additional obligations are incurred by the City, the funds available to make payments of the principal of, and interest on, the Series 2022B Bonds may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other activities before making payment of the principal of, and interest on, the Series 2022B Bonds. The same result could occur if State constitutional expenditure limitations were to prohibit the City from appropriating and spending all of its otherwise available revenues.

Limitation on Remedies; Bankruptcy

The enforceability of the rights and remedies of the Holders of the Series 2022B Bonds are subject to several limitations, including bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State.

In addition, the rights and remedies of the Owners may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. The City is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the City is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts.

If the City is in bankruptcy, the parties (including the Trustee and the Owners) may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2022B Bonds from funds in the Trustee's possession.

The City may be able, without the consent and over the objection of the Trustee or the Owners, to alter the priority, interest rate, payment terms, maturity dates, payment sources, covenants, and other terms or provisions of the Indenture and the Series 2022B Bonds, if the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2022B Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Series 2022B Bonds or result in losses to the Owners. Regardless of any

specific adverse determinations in a City bankruptcy proceeding, the fact of a City bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022B Bonds.

The opinion to be delivered by Bond Counsel concurrently with the execution and delivery of the Series 2022B Bonds will be subject to various limitations on remedies including those related to bankruptcy and the various other legal opinions to be delivered concurrently with the issuance of the Series 2022B Bonds will be similarly qualified. See APPENDIX E—FORM OF OPINION OF BOND COUNSEL. If the City fails to comply with its covenants under the Facility Lease or fails to pay Lease Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Beneficial Owners of the Series 2022B Bonds.

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Project caused by material damage, title defect, destruction to or condemnation of the Project, Lease Payments will be subject to abatement. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS—Abatement of Lease Payments." In the event that such component of the Project, if damaged or destroyed by an insured casualty, could not be replaced during the period of in which proceeds of rental interruption insurance, if any, will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Project or prepayment of the Series 2022B Bonds, there could be insufficient funds to make payments to Owners in full. It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Project is substantially higher or lower than its value at the time of issuance of the Series 2022B Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Series 2022B Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Project results in abatement of the Lease Payments related to such Project and if such abated Lease Payments, if any, together with moneys from rental interruption or use and occupancy insurance, if any (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Series 2022B Bonds during the period that the Project is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Reduction in Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder, and no remedy is available to the Series 2022B Bond Owners under the Lease Agreement or the Indenture for nonpayment under such circumstances. See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

Limited Recourse on Default; No Acceleration

The ability of the City to comply with its covenants under the Lease Agreement may be adversely affected by actions and events outside of the control of the City and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Failure by the City to make Lease Payments, or failure to pay Additional Rental Payments or to observe and perform any other terms, covenants or conditions contained in the Lease Agreement or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute Events of Default under the Lease Agreement. Such events permit the Trustee or the Authority to pursue any and all remedies available. However, notwithstanding anything in the Lease Agreement or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments that are not then in default to be immediately due and payable. The Trustee is not empowered to sell the Project and use the proceeds of such sale to prepay the Series 2022B Bonds or pay debt service on the Series 2022B Bonds.

Following an event of default, the Authority or the Trustee may elect either to terminate the Lease Agreement and seek to collect damages from the City or to maintain the Lease Agreement in effect and seek to collect the Lease payments as they become due. See APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

In the event of a default, there is no remedy of acceleration of the total Lease payments due over the term of the Lease Agreement. The City will be liable only for Lease Payments on an annual basis and, in the event of a default, the Authority or Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in 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.

Cash Management

The City has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes which may be employed to the extent the City Council is required to make budget adjustments to maintain a balanced budget. If the City does not take required actions and the budget remains out of balance, the cash requirements of the City may exceed available cash flow. The ability of the City to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period. The City has the legal authority to issue "warrants" in place of cash to meet various types of expenditures or appropriations as an additional means to manage its cash flow. See "CITY FINANCIAL INFORMATION."

COVID-19 Pandemic

The COVID-19 Pandemic has affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to affect economic output worldwide and within the City, the County, and the State. 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 Pandemic, no assurances can be given that these interventions will have the intended effects, or that these interventions will continue in the future.

The economic impacts on the City resulting from the COVID-19 Pandemic are discussed under "CITY FINANCIAL INFORMATION." The ultimate impact of the COVID-19 Pandemic on the City's operations and finances is unknown. The City has developed what it believes to be reasonable budgeted projections of the magnitude of these impacts on its revenues and on its expenditures, but the COVID-19 Pandemic is ongoing, and the City cannot predict how and when it will be resolved.

Additional information about the State's and the County's current status can be found at the State's website, www.covid19.ca.gov and at the County's website www.publichealth.lacounty.gov for up-to-date information regarding COVID-19 restrictions in place in the State and in the County. Reference to the State's and the County's website is included in this Official Statement for general information only and information on such website is not included in this Official Statement by reference to such website.

Concentration of Revenue Sources

The City relies on, among other things, a 0.75% voter-approved sales tax known as Measure H. Together with the City's portion of the State Sales Tax, the City's combined General Fund sales tax revenues have represented approximately 37% of the City's total General Fund revenues in recent years. An economic downturn or other reduction in commercial activity within the City resulting in lower sales tax collections could materially and adversely impact the City's revenues and its ability to make principal payments on the Series 2022B Bonds when due. For additional discussion of sales and use taxes and of Measure H, see "CITY FINANCIAL INFORMATION –Primary Sources of General Fund Revenues and –Sales and Use Taxes."

Impact of Enterprise Operations on the City's General Fund

In prior years, City has made transfers from its General Fund to cover operating losses in the Golf Course Fund. While the construction of the Project and other improvements to the City Golf Course are expected to reduce or eliminate the need for transfers from the City's General Fund to the Golf Course Fund, the City cannot project whether the revenues in the Golf Course Fund will exceed expenditures for current and future years. If and to the extent such Golf Course Fund revenues do not exceed Golf Course Fund expenditures, additional transfers out from the City's General Fund may be required.

The City's General Fund faces risks of unbudgeted expenditures if it becomes obligated to make debt service payments with respect to the HGI Bonds or the H2S Bonds or with respect to the Series 2022B Bonds. While the City does not anticipate needing to make transfers from its General Fund to pay debt service on the HGI Bonds, the H2S Bonds, or the Series 2022B Bonds, changing economic circumstances could make such transfers necessary in the future if the net revenues from the Hilton Garden Inn are insufficient to pay debt service on the HGI Bonds, net revenues from the Home2Suites are insufficient to pay debt service on the H2S Bonds, or Sublease Payments from Topgolf Montebello are insufficient to debt service payments on the Series 2022B Bonds.

See "RISK FACTORS—Impact of Enterprise Operations on the City's General Fund" and "RISK FACTORS—Ability of the City's General Fund to Make Lease Payments."

Construction Risks, Project Completion

The proceeds of the Series 2022B Bonds will be used to pay the costs of acquisition and construction of the Project. As of the date of this Official Statement, construction has not yet commenced. The Series 2022B Bonds are being sold based upon bids received as of the date of this Official Statement for construction of the Project and reasonable estimates of the costs associated with the acquisition by the Authority of the Project. There can be no assurance that the Project will be completed for the costs and within the time period described in this Official Statement or that the proceeds of the Series 2022B Bonds available to pay the costs of acquisition and construction of the Project will be sufficient. Failure to complete, a delay in completion or subsequent damage to the Project could delay or preclude the opening of the Project

as expected. Moreover, such a delay in completion or damage to the Project during construction could increase the costs of constructing the Project so that Series 2022B Bond proceeds are insufficient. Additionally, failure in General Contractor or subcontractor performance and integrity, the bankruptcy of the General Contractor or subcontractors, the unavailability and increased cost of labor and materials, among other unexpected factors, could cause such a failure of timely, on-budget completion. Although the Authority believes it has funded interest on the Series 2022B Bonds and construction contingency in adequate amounts to permit acquisition and construction of the Project, there can be no assurance that the Project will be completed by the General Contractor for the costs and within the time set forth in this Official Statement. See "THE PROJECT—Construction of Project.

Force Majeure

Should there be a delay of construction caused by an event which is beyond the reasonable control of the General Contractor to avoid or mitigate, then the obligation of the General Contractor to perform its duties under the Construction Contract may be suspended during the period which such inability caused. With respect to the construction of the Project, such delays may only be caused by earthquakes and other acts of god (excluding floods and adverse weather conditions which the General Contractor has provided for in the construction schedule and will not extend the time for performance under the Construction Contract); war, civil commotion or riots; orders, restraints or prohibitions by the United States of America or a state, board, department, commission or agency having jurisdiction over the Project, provided that such orders, restraints or prohibitions are not in any way related to acts or omissions of the Project Contractor or any of its subcontractors; the City's failure to provide approvals of the Project work in accordance with schedules and procedures established to date by the City or the City's imposition of any additional permit requirements or approvals other than those established by the City to date, provided that such failure or imposition is not in any way related to any acts or omissions of the General Contractor or any of its subcontractors.

Competition Generally

Consumers have a wide variety of options when deciding how to spend their leisure time and discretionary entertainment dollars. The Project will compete for consumers' time and discretionary entertainment dollars against a broad range of other out-of-home entertainment options, as well as increasingly sophisticated forms of home-based entertainment. Other out-of-home entertainment options against which the Project will compete include other dining and entertainment venues, sports activity centers, traditional driving ranges and other establishments offering simulated golf or multi-sport experiences (including Toptracer Range and Full Swing licensees), arcades and entertainment centers, movie theaters, sporting events, bowling alleys, nightclubs, casinos, bars and restaurants. In many cases, these businesses, or the entities operating them, are larger and have significantly greater financial resources and name recognition, longer operating histories, and concepts with which consumers may be more familiar, and are better established in the markets where venues are located or are planned to be located. As a result, these competitors may be able to invest greater resources or implement more aggressive strategies to attract consumers, including with respect to pricing, and, accordingly, may succeed in attracting those who would otherwise come to the Project. Home-based entertainment options against which the Project compete include internet and video gaming, as well as movies, television and other on-demand content from streaming services. Further, in some cases consumer demand has shifted towards home-based entertainment options and away from out-of-home entertainment, like that which will be offered at the Project, as a result of the impact of the ongoing COVID-19 Pandemic, which may result in greater competition from home-based entertainment options in the future. The failure of the Project to compete

favorably against these other out-of-home and home-based entertainment options could the ability of Topgolf Montebello to make the sublease payments to the City as required by the Sublease.

Consumer and corporate discretionary spending on entertainment and leisure is affected by consumer tastes and preferences, which are subject to change, and there can be no guarantee that golf-oriented entertainment, like that offered at the Project, will continue to appeal to consumers, particularly given the recent shift in consumer spending away from out-of-home entertainment in light of the ongoing COVID-19 Pandemic. Declines in guest traffic and/or guest spending at the Project, whether resulting from unfavorable economic conditions or changes in consumer preferences, will reduce revenue generated by the Project.

Competition—Other Competing Golf Courses and Driving Ranges

The Project will compete for customers with other Topgolf facilities, golf courses, and driving ranges in the region.

The Project will be located adjacent to the City Golf Course. While the relationship between the Project and the City Golf Course is expected to be synergistic in many aspects, potential customers of the Project may opt to play a full round of golf on the City Golf Course instead of visiting the Project.

There are two other Topgolf locations in the southland area, Topgolf El Segundo (located approximately 25 miles away from the Project) and Topgolf Ontario (located approximately 35 miles away from the Project). Topgolf Ontario opened on March 1, 2022, and Topgolf El Segundo opened on April 15, 2022.

In addition to the other two Topgolf locations in the area and the City Golf Course located adjacent to the Project, there are several other existing golf courses and driving ranges that are competitive with the Project. A list of the locations of certain other golf courses located within 15 miles the Project is provided below. The list below is not intended to be definitive, but instead shows that the Project will face significant competition from existing nearby Golf-related courses and facilities.

CERTAIN OTHER GOLF FACILITIES LOCATED WITHIN 15 MILES OF THE PROJECT

Facility	Location
Pico Rivera Golf Club	Pico Rivera
Rio Hondo Golf Club	Downey
Bell Gardens Golf Course	Bell Gardens
Monterey Park Golf Club	Monterey Park
Alhambra Golf Course	Alhambra
South Gate Golf Course	South Gate
California Country Club	Whittier
Los Amigos Golf Course	Downey
Arroyo Seco Golf Course	South Pasadena
Don Knabe Golf Center	Norwalk
Friendly Hills Country Club	Whittier
La Mirada Golf Course	La Mirada
Los Feliz Golf Course	Los Angeles
Arcadia Golf Course	Arcadia
Santa Anita Golf Course	Arcadia

Competition from other existing and proposed golf courses and driving range facilities like those listed above could impact the ability of Topgolf Montebello to make sublease payments under the Sublease, the ability of Topgolf International to make any payments required under the Guaranty, and consequently the ability of the City to make the Lease Payments under the Lease Agreement.

Reliance on Brand Name Recognition of Topgolf and Competent Management of the Project

The rental rates and prices charged at the Project by Topgolf Montebello are dependent in part on national brand name recognition of Topgolf. While the Sublease has an initial term of 20 years, there can be no assurance that Topgolf Montebello will remain the operator of the Project through the maturity of the Bonds. In addition, Topgolf Montebello and the City have the right to terminate the Sublease under certain circumstances. Should Topgolf Montebello no longer operate the project the City may experience difficulties in reletting the Project and the Project may struggle to generate an operating profit.

Risks Related to the Sublease

[TO COME]

Risks Related to the Guarantor

[TO COME]

Ability of the City's General Fund to Make Lease Payments

Lease Payments are the primary source of security for the Series 2022B Bonds if Sublease Payments are insufficient to make debt service payments on the Series 2022B Bonds and Topgolf International does not make payment under the Guaranty. While the City does not anticipate needing to make transfers from its General Fund to pay debt service on the Series 2022B Bonds, however changing economic circumstances could make such transfers necessary in the future if the Sublease Payments from Topgolf Montebello under the Sublease are insufficient to pay debt service on the Series 2022B Bonds and Topgolf International does not make payment under the Guaranty. The maximum annual debt service on the Series 2022B Bonds is $_____.

In the unlikely event that the City does not is obligated to make all or a portion of the Lease Payments from its General Fund without also receiving the Sublease Payments or payments under the Guaranty, substantial adjustments to the City's General Fund budget would be required. Such adjustments may include, but would not be limited to, reductions in staffing or direct services to the community with such changes requiring reorganization or other changes to how services are delivered. Under this scenario, major reductions to services provided by the City would be required, resulting in a negative impact to the community. Such budget adjustments would need to be accomplished over an extended period, and would negatively impact the City's budget, staffing levels and service provision for a number of years.

Natural Disasters

General. From time to time, the City has been and could be subject to natural calamities, including, but not limited to, earthquake, flood or wildfire, that may adversely affect economic activity in the City, and which could have a negative impact on City finances. There can be no assurance that the occurrence of any

natural calamity would not cause substantial damage to persons, property and structures in the City and could have a substantial negative effect on the City's General Fund.

Whitter Narrows Dam. The Army Corps of Engineers is beginning a $500-million repair project for the 62-year-old Whittier Narrows Dam (the "Dam"). The Dam, a 56-foot-tall earth dam, is located along the Rio Hondo and the San Gabriel Rivers and collects runoff from the uncontrolled drainage areas upstream along with releases into the San Gabriel River from the Santa Fe Dam. The reservoir portion of the Dam, with a capacity of 67,060 acre-feet, is surrounded by the cities of South El Monte (to the north), Industry (to the east), Pico Rivera (to the south), and Montebello (to the south).

The Army Corps of Engineers has determined that the Dam no longer meets federal tolerable-risk guidelines and could fail in the event of a very large, very rare storm, like storms which occurred in California between December 1861 and January 1862. If such a storm were to occur, water could flow over the crest of the Dam or seepage could erode the sandy soil underneath it. These types of failures could have catastrophic effects on several Southern California communities including the City. In response to these potential dangers, the Army Corps of Engineers has classified the Dam's repairs as the highest priority of any of the 13 "high risk" dams in the country. The construction of the repairs to the Dam started in 2021 and the repairs are expected to be completed in 2025.

An extreme storm that results in a flood could significantly damage property within the City. The City cannot predict when flood or extreme storm events will occur, when or whether the repairs described above will be completed, whether other mitigation measures will be implemented, or whether FEMA or other funds will be available to the City in the event of a failure of the Dam. Significant flooding in the City because of the failure of the Dam could have materially adverse consequences for the City's finances and operations, including the ability to make the payments due on the Series 2022B Bonds.

Drought. The State is currently experiencing drought conditions. The Governor of the State has issued targeted emergency drought proclamations to nearly all counties across the State, including the County. The emergency drought proclamations allow for the set-aside of certain state regulatory requirements until the subsistence of drought conditions. The City and the County are presently experiencing drought conditions and are likely to continue to be affected by drought conditions in the future.

Earthquake Risk. Any natural disaster or other physical calamity, including earthquake, may have the effect of damaging property in the City. The seismic safety element of the City's General Plan lists ground shaking as the primary seismic risk to the City from a major earthquake along three faults located between 6 and 14 miles away from the City. A great earthquake along the San Andreas Fault, 33 miles from the City, would result in strong ground shaking. Risks of ground failure (such as liquefaction, landslides and rockfalls) are considered limited in the City. Ground displacement is not considered a significant risk because no active or potentially active faults are known to be present within the limits of the City.

Climate Change/Adaptation/Mitigation Generally. Projections of the impacts of global climate change on the City are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast with certainty when and where the adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the City's future investment in adaptation strategies, the

City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures.

Endangered Species

During recent years, there has been an increase in activity at both the State and federal level related to the potential classification of certain plant and animal species found in California as endangered species. An increase in the number of endangered species is expected to curtail development in certain areas of the State. At present, the City is not known to be inhabited by any plant or animal species currently classified as threatened or endangered under either the State or federal endangered species acts or which either the California Fish and Game Commission or the United States Fish and Wildlife Service has proposed for addition to these respective threatened or endangered species lists. Notwithstanding this fact, new species are periodically proposed to be added to the State and federal protected lists on a regular basis.

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value or use of a parcel of property is a claim about a hazardous substance. In general, the owners, lessors and/or lessees of a parcel of real property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws about hazardous substances are also stringent and similar in application. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether the owner (or operator) has contributed to or caused contamination with the hazardous substances. The effect, therefore, should property in the City be affected by a hazardous substance, is to reduce both marketability and the value of property by the costs of remedying the condition. While the City is not currently aware of any such condition, it is possible that such hazardous substance conditions do currently exist, and that the City has not been made aware of their existence.

Potential Impact of State Financial Condition on the City

During the 2008-09 recession, the State faced a structural deficit that resulted in substantial annual deficits and reductions in expenditures. Although the State has had a budget surplus in the more recent fiscal years, according to the State there remain several major risks and pressures that threaten the State's financial condition, including the threat of recession, potential changes to federal fiscal policies and unfunded long-term liabilities of more than $200 billion related to pensions and other post-retirement benefits. These risks and financial pressures could result in future reductions or deferrals in amounts payable to the City. The State's financial condition and budget policies affect local public agencies throughout California. To the extent that the State budget process results in reduced revenues to the City, the City will be required to adjust its budget. State budget policies can also impact conditions in the local economy and could have an adverse effect on the local economy and the City's major revenue sources.

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 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 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 over which the City has no control (see "STATE BUDGET INFORMATION"). The ability of the State to divert funds from the City has been limited by Proposition 1A and Proposition 22, which are discussed herein. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), mortality rates, and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans because of which the City would be obligated to make additional payments to its pension plans to fully fund the City's obligations to its pension plans.

The City has issued Pension Obligations Bonds in May 2020 secured by revenue from the City's Retirement Tax, a 1946 voter approved property tax override assessment. The City's General Fund is responsible for any amounts due on the City's Pension Obligation Bonds and any future liability to CalPERS not otherwise satisfied by the Retirement Tax. Additionally, any current and future retirement related expenses above and beyond the amount of available Retirement Tax will be borne directly by the City's General Fund. For additional discussion, see "OTHER FINANCIAL INFORMATION – Employee Retirement Plans."

Risks Related to Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City's own administrative regulations. Within the City's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City's computers and technologies.

The City has had an outside security consultant perform an assessment of its overall level of cyber security and the adequacy of its information technology systems and practices. The outside consultant's report identified deficiencies, which the City has acknowledged. The City has adopted a 5-year corrective action plan designed to remedy the issues identified in the security consultant's report and to bring the City in compliance with current best practices.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the

City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2022B Bonds, 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.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the General Fund revenues of the City and consequently, having an adverse effect on the security for the Series 2022B Bonds.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), but is exempt from State of California personal income tax.

Except for certain exceptions, the excess of the stated redemption price at maturity of a Series 2022B Bond over the issue price of a Series 2022B Bond (the first price at which a substantial amount of the Series 2022B Bonds of the same maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Beneficial Owner of a Series 2022B Bond will increase the Beneficial Owner's basis in the Series 2022B Bond. Beneficial Owners of Series 2022B Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Series 2022B Bonds.

The amount by which a Series 2022B Bond Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Series 2022B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Beneficial Owner of a Series 2022B Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Series 2022B Bond Beneficial Owner's basis in the applicable Series 2022B Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series 2022B Bond premium may result in the Beneficial Owner of a Series 2022B Bond realizing a taxable gain when a Series 2022B Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series 2022B Bond to the Beneficial Owner. The Beneficial Owners of the Series 2022B Bonds that have a basis in the Series 2022B Bonds that is greater than the principal amount of the Series 2022B Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

In the event of a legal defeasance of a Series 2022B Bond, such bond might be treated as retired and "reissued" for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Series 2022B Bond Beneficial Owner generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance of the Series 2022B Bond and the Beneficial Owner's adjusted tax basis in such bond.

The federal income tax discussion set forth above with respect to the Series 2022B Bonds is included for general information only and may not be applicable depending upon a Beneficial Owner's particular situation. The ownership and disposal of the Series 2022B Bonds and the accrual or receipt of interest with respect to the Series 2022B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. BEFORE PURCHASING ANY OF THE SERIES 2022B BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR INDEPENDENT TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES RELATING TO THE SERIES 2022B BONDS AND THE TAXPAYER'S PARTICULAR CIRCUMSTANCES.

The form of Bond Counsel's proposed opinion with respect to the Series 2022B Bonds is attached hereto in APPENDIX E—PROPOSED FORM OF BOND COUNSEL OPINION.

CONSIDERATIONS FOIR ERISA AND OTHER BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on 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, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental Plans and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2022 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

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 ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party In Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. 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 exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2022 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Authority 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 Authority would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an "equity interest" in the Authority 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 is little guidance on this matter, it appears that the Series 2022 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2022 Bonds, including the reasonable expectation of purchasers of Series 2022 Bonds that the Series 2022 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2022 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2022 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Authority, the Borrower, the Corporation, the Underwriter or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2022 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, 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 Series 2022 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "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." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2022 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2022 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2022 Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the Series 2022 Bond (or interest therein) will not give

rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2022 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Authority, the Borrower, the Corporation, the Underwriter or the Trustee or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2022 Bonds, the purchase of the Series 2022 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2022 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Authority, the Borrower, the Corporation, the Underwriter or the Trustee or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2022 Bonds 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 Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

CERTAIN LEGAL MATTERS

The validity of the Series 2022B Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX E—PROPOSED FORM OF BOND COUNSEL OPINION. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Bond Counsel and Disclosure Counsel will receive compensation from the City contingent upon the sale and delivery of the Series 2022B Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Series 2022B Bonds. Quint & Thimmig LLP is acting as Disclosure Counsel for the City. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California, and for the Trustee by its counsel. Counsel to the Underwriter will receive compensation contingent upon the issuance of the Series 2022B Bonds.

ABSENCE OF LITIGATION

To the best knowledge of the City and the Authority, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the Series 2022B Bonds, the Facility Lease, the Site Lease or the Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority or the City taken with respect to any of the foregoing.

UNDERWRITING

The Series 2022B Bonds are being purchased by Cabrera Capital, Inc. (the "Underwriter"). The

Underwriter will purchase the Series 2022B Bonds from the Authority at an aggregate purchase price of $_____ (representing the principal amount of the Series 2022B Bonds less an Underwriter's discount of $_____). The purchase agreement relating to the Series 2022B Bonds provides that the Underwriter will purchase all of the Series 2022B Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial offering prices that are stated on the inside front cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Series 2022B Bonds to certain dealers (including dealers depositing Series 2022B Bonds into investment trusts), dealer banks, banks acting as agent and others at prices lower than said public offering prices.

RATING

Standard & Poor's Financial Services LLC ("S&P") has assigned the Series 2022B Bonds the rating of "A". Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2022A Bonds. None of the Authority, the City or the Underwriter has undertaken any responsibility to bring to the attention of the owners of the Series 2022A Bonds a proposed change in or withdrawal of the rating or to oppose any such proposed revision or withdrawal.

MUNICIPAL ADVISOR

Urban Futures, Inc., Tustin, California (the "Municipal Advisor"), served as municipal advisor to the Authority and the City with respect to the sale of the Series 2022B Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Series 2022B Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Owners of the Series 2022A Bonds to provide annually certain financial information and operating data relating to the Series 2022A Bonds and the City (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. For a complete listing of items of information which will be provided in each Annual Report and further description of the City's undertaking with respect to the Annual Report and certain enumerated events, see APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE. The Annual Report is to be provided by the City not later than nine months following the end of the City's fiscal year (which presently

ends on June 30), commencing with the report for the fiscal year ending June 30, 2022, and due March 31, 2023. The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

Within the last five years, there have been certain failures regarding filings relating to the City's Successor Agency:

With respect to the Successor Agency to the Community Redevelopment Agency of the City of Montebello Subordinate Tax Allocation Refunding Bonds, Series 2015A, (1) a table showing total tax revenues was omitted for 2017 to 2021 fiscal years, (2) a table showing subordinate pledged tax revenues was filed late as follows: (a) 2018 fiscal year, filed 1,031 days late and four CUSIP numbers were not tagged to the filing, and (b) 2017 fiscal year, filed 666 days late and four CUSIP numbers were not tagged to the filing.

With respect to the Successor Agency to the Community Redevelopment Agency of the City of Montebello Subordinate Tax Allocation Refunding Bonds, Series 2015B, tables showing total tax revenues and subordinate pledged tax revenues were omitted for 2017 to 2018 fiscal years.

With respect to the Community Redevelopment Agency of the City of Montebello 2002 Housing Tax Allocation Parity Bonds, for fiscal years 2017 to 2021, all-in debt service coverage provided in the annual reports was sufficient, but the all-in debt service coverage calculations used in annual reports were incorrect.

With respect to the Community Redevelopment Agency of the City of Montebello Taxable Housing Tax Allocation Bonds, 1997 Series B, for fiscal years 2017 to 2018, all-in debt service coverage provided in the annual reports was sufficient, but the all-in debt service coverage calculations used in annual reports were incorrect.

All required corrective filings have been made.

Otherwise, within the last five years, the City has not failed to comply with continuing disclosure obligations related to any of the Authority's , the City's or the Successor Agency's outstanding obligations pursuant to SEC Rule 15c2-12(b)(5).

FINANCIAL STATEMENTS OF THE CITY

Included as APPENDIX D—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, are the City's audited financial statements for the Fiscal Year ended June 30, 2021, together with the report thereon dated January 26, 2022, of the Auditor. The Auditor has not undertaken to update the audited financial statements of the City or its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event after its report dated January 26, 2022.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for

full and complete statements of the contents thereof. Copies of the Indenture, the Facility Lease, the Site Lease and other documents are available, upon request, and upon payment to the City of a charge for copying, mailing and handling, from the City Clerk at the City of Montebello, 1600 West Beverly Boulevard, Montebello, California 90640.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the City and the purchasers or Owners of any of the Series 2022B Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

MONTEBELLO PUBLIC FINANCING AUTHORITY

By _____
Executive Director

CITY OF MONTEBELLO

By _____
City Manager

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APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The following information concerning the City of Montebello and Los Angeles County is included only for the purpose of supplying general information regarding the City and the County. The Series 2022B Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of their political subdivisions, except for the City, are liable therefor.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City of Montebello (the "City") is situated in eastern Los Angeles County, California (the "County"). The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (State Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas, and commercial centers. It is bordered to the north by the cities of Los Angeles Park and Rosemead, to the east by the City of Pico Rivera, and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. 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 estimated to be 64,247 as of January 1, 2019.

The County is in the Southern region of the State of California (the "State"). The County boarders 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 more than one quarter 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.

The 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. The County 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 County is the third-largest metropolitan economy in the world, with a Nominal GDP of over $700 billion—larger than the GDPs of Belgium, Norway, and Taiwan. The County serves as the central trade district for the western United States and the gateway to the Asian economies. The County is one of the most ethnically diverse counties in the U.S. The county seat, the City of Los Angeles, is also California's most populous city and the nation's second largest city with about 4 million people.

Population

The table below summarizes population of the City, the County, and the State for the last five years.

CITY OF MONTEBELLO, LOS ANGELES COUNTY, and CALIFORNIA
Population

Year	City of Montebello	Los Angeles County	State of California
2018	63,837	10,192,593	39,519,535
2019	63,558	10,163,139	39,605,361
2020	63,264	10,135,614	39,648,938
2021	62,180	9,931,338	39,303,157
2022	61,622	9,861,224	39,185,605

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-22, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State, and the United States:

LOS ANGELES COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate [1]
2017	Los Angeles County	5,123,900	4,883,600	240,300	4.7%
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	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	162,075,000	155,761,000	6,314,000	3.9
2019	Los Angeles County	5,121,600	4,894,300	227,300	4.4
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	Los Angeles County	4,921,500	9,291,700	629,800	12.8
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021[2]	Los Angeles County	4,994,100	4,548,900	445,200	8.9
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-21, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers in the City and Industries in the County

The following table lists the top 10 employers within the City for the 2021 calendar year.

CITY OF MONTEBELLO
Top 10 Employers
For the 2021 Calendar Year[1]

Employer	Employees	% of Total
Montebello Unified School District	1,264	4.51%
Beverly Hospital	945	3.38
City of Montebello	431	1.54
JCPenny	215	.77
Bimbo Bakery	315	1.13
Macy's	308	1.10
Rio Hondo Convalescent Hospital	202	.72
Monarch Litho Inc.	170	.61
Wilbur Curtis CO	160	.57
Kaiser Permanente Montebello	124	.44
Total Top 10	4,134	14.76

Source: City of Montebello 2020-21 Annual Comprehensive Financial Report.
(1) Latest available full-year data.

The table below sets forth the principal industries in the County in 2021.

LOS ANGELES COUNTY
2021 PRINCIPAL INDUSTRIES

Industry	# of Employees	% of Total
Educational & Health Services	839,300	19.91%
Trade, Transportation and Utilities	804,600	19.09
Professional & Business Services	598,800	14.21
Government	g558,700	13.26
Leisure & Hospitality	438,300	10.40
Manufacturing	306,900	7.28
Financial Activities	209,300	4.97
Information	177,000	4.20
Construction	148,100	3.51
Other Services	127,100	3.02
Ten Largest Industries	4,208,100	99.85
All Other Industries	6,400	.15
Total	4,214,500	100.00

Source: Los Angeles County 2020-21 ACFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF MONTEBELLO
Building Permits and Valuation
(Dollars in Thousands)

	2017	2018	2019	2020	2021[(2)]
Permit Valuation:					
New Single-family	$ 35	$ 251	$ 5,023	$ 1,020	$ 1,977
New Multi-family	5,044	5,956	3,400	420	340
Res. Alterations/Additions	3,738	4,952	5,758	1,810	1,046
Total Residential	9,682	11,159	14,182	3,250	3,364
Total Nonresidential	9,350	9,558	50,750	3,0899	3,185
Total All Building	19,033	20,718	64,932	6,340	6,550
New Dwelling Units:					
Single Family	1	3	33	6	28
Multiple Family	35	72	15	2	6
Total	36	75	48	8	34

LOS ANGELES COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2017	2018	2019	2020	2021[(2)]
Permit Valuation:					
New Single-family	$ 2,352,614	$ 2,277,101	$ 1,967,219	$ 1,874,304	$ 2,085,629
New Multi-family	3,257,833	3,222,530	2,961,257	2,789,673	3,026,725
Res. Alterations/Additions	1,757,904	1,941,369	1,625,839	1,014,422	908,148
Total Residential	7,368,352	7,441,001	6,554,315	5,678,400	6,020,503
Total Nonresidential	6,037,502	6,694,097	6,589,601	3,513,049	1,863,348
Total All Building	13,405,855	14,135,098	13,143,917	9,191,449	7,883,851
New Dwelling Units:					
Single Family	5,456	6,070	5,738	6,198	7,327
Multiple Family	17,023	17,152	15,884	14,056	16,718
Total	22,479	23,222	21,626	20,254	23,045

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Columns may not sum to totals due to independent rounding.
(1) Latest available full year data.

Household Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, State and local), nontax payments (fines, fees, penalties, etc.) and personal

contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State and the nation for the past five years.

CITY OF MONTEBELLO, LOS ANGELES COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income

	2017	2018	2019	2020	2021
City of Montebello	$ 44,962	$ 46,113	$ 48,508	$ 52,012	$ 61,201
Los Angeles County	54,720	56,831	60,174	62,353	71,404
California	59,646	62,637	65,870	67,956	77,058
United States	50,735	52,841	55,303	56,790	64,448

Source: Nielsen, Inc.

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APPENDIX B

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

The following is a summary of the provisions of the Indenture, the Site Lease, the Facility Lease and the Assignment Agreement. This summary is not intended to be definitive, and Owners of the Series 2022B Bonds should refer to the documents for the complete text thereof. Copies of the documents summarized herein are available from the City.

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APPENDIX C

SUBLEASE

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APPENDIX D

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[Closing Date]

Montebello Public Financing Authority
Montebello, California

Re: $_____* Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)

Ladies and Gentlemen:

We have acted as bond counsel to the Montebello Public Financing Authority (the "Authority") in connection with the issuance by the Authority of $_____* Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable) (the "Bonds"), pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), and pursuant to an Indenture, dated as of October 1, 2022 (the "Indenture"), by and among the Authority, the City of Montebello (the "City") and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be principally secured by lease payments to be made by the City pursuant to a Facility Lease, dated as of October 1, 2022 (the "Lease"), by and between the Authority and the City. We have examined the law and such certified proceedings and other documents, agreements, opinions and matters as we deem necessary to render this opinion. This opinion is based on current statutory and constitutional law and published court decisions as of the date hereof. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the genuineness of all documents and signatures presented to us, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the preceding paragraphs of this opinion. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Lease and the Site Lease. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Lease, the Site Lease, the Assignment Agreement and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities and public agencies in the State of California.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California with the full power to enter into the Indenture and the Lease, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Indenture and the Lease have each been duly authorized, executed and delivered by the Authority and the Indenture and the Lease constitute the valid and binding obligations of the Authority enforceable

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* Preliminary, subject to change.

against the Authority in accordance with their respective terms. The Indenture creates a valid pledge of the Lease Payments and other moneys pledged under the Indenture, subject to the provisions of the Indenture.

3. The Indenture and the Lease have each been duly authorized, executed and delivered by the City and the Indenture and the Lease constitute the valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

4. The Bonds have been duly and validly authorized by the Authority and are legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the Authority payable solely from the Lease Payments and other moneys pledged under the Indenture as provided in the Indenture, but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof. The Authority has no taxing power.

5. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes

6. Interest (and original issue discount) on the Bonds is exempt from personal income taxes imposed in the State of California.

7. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph 5 above) and is exempt from State of California personal income tax.

8. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner.

Except as set forth in paragraphs (5), (6), (7) and (8) above, we express no opinion as to any tax consequences related to the Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bondholders. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Bonds. Before purchasing any of the Bonds, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the 2022 Bonds and the taxpayer's particular circumstances.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel with respect to the Bonds terminates upon the issuance of the Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement and any supplements or updates thereto.

Respectfully submitted,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF MONTEBELLO, CALIFORNIA (the "City") in connection with the execution and delivery by the Montebello Public Financing Authority (the "Authority") of its $_____* Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable) (the "Series 2022B Bonds"). The Series 2022B Bonds are being executed and delivered pursuant to an Indenture, dated as of October 1, 2022, by and among the Authority, the City of Montebello (the "City") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). The Series 2022B Bonds are payable from the Lease payments to be made by the City under the Facility Lease, dated as of October 1, 2022 (the "Facility Lease"), between the Authority, as lessor, and the City, as lessee. This Disclosure Certificate is being entered into by the City for the benefit of the Owners and Beneficial Owners of the Series 2022B Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

Section 1. Definitions. In addition to the definitions set forth above and in the Indenture which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" shall mean, initially, Urban Futures, Inc., or any successor Dissemination Agent designed in writing by the City, and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Series 2022B Bonds.

"*Participating Underwriter*" means Cabrera Capital, Inc., the original underwriter of the Series 2022B Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

* Preliminary, subject to change.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Series 2022B Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2– 12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for fiscal year 2021-22 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. 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 Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then–applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements 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 City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, as follows:

[TO BE DETERMINED]

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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 are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Series 2022B Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (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;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) The City shall or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2022B Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City or an obligated person 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 an obligated person, 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.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2022B Bonds. If such termination occurs prior to the final maturity of the Series 2022B Bonds, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b) or 5(c), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Series 2022B Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2022B Bonds, after considering any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Series 2022B Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2022B Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Series 2022B Bonds 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 Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the 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 its 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 shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Series 2022B Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2022B Bonds.

(b) The Dissemination Agent 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 shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2022B Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

CITY OF MONTEBELLO

By _____
Name _____
Title _____

ACKNOWLEDGED:

URBAN FUTURES, INC., as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Montebello

Name of Issue: Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

URBAN FUTURES, INC., as Dissemination Agent

By _____
Authorized Officer

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APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2022B Bonds, payment of principal, premium, if any, accreted value and interest on the Series 2022B Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2022B Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2022B Bonds (the "Securities"). The Securities will be issued 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 Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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 Ratings highest rating: "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.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. 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. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal, redemption price and interest payments on the Securities 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 Authority or the Paying Agent, 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 Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. If applicable, a Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to tender/remarketing agent, and shall affect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to tender/remarketing agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to tender/remarketing agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[Closing Date]

Montebello Public Financing Authority
Montebello, California

Re: $_____* Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable)

Ladies and Gentlemen:

We have acted as bond counsel to the Montebello Public Financing Authority (the "Authority") in connection with the issuance by the Authority of $_____* Montebello Public Financing Authority Lease Revenue Bonds, Series 2022B (Topgolf Project)(Federally Taxable) (the "Bonds"), pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), and pursuant to an Indenture, dated as of October 1, 2022 (the "Indenture"), by and among the Authority, the City of Montebello (the "City") and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be principally secured by lease payments to be made by the City pursuant to a Facility Lease, dated as of October 1, 2022 (the "Lease"), by and between the Authority and the City. We have examined the law and such certified proceedings and other documents, agreements, opinions and matters as we deem necessary to render this opinion. This opinion is based on current statutory and constitutional law and published court decisions as of the date hereof. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the genuineness of all documents and signatures presented to us, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the preceding paragraphs of this opinion. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Lease and the Site Lease. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Lease, the Site Lease, the Assignment Agreement and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities and public agencies in the State of California.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California with the full power to enter into the Indenture and the Lease, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Indenture and the Lease have each been duly authorized, executed and delivered by the Authority and the Indenture and the Lease constitute the valid and binding obligations of the Authority enforceable

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* Preliminary, subject to change.

against the Authority in accordance with their respective terms. The Indenture creates a valid pledge of the Lease Payments and other moneys pledged under the Indenture, subject to the provisions of the Indenture.

3. The Indenture and the Lease have each been duly authorized, executed and delivered by the City and the Indenture and the Lease constitute the valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

4. The Bonds have been duly and validly authorized by the Authority and are legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the Authority payable solely from the Lease Payments and other moneys pledged under the Indenture as provided in the Indenture, but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof. The Authority has no taxing power.

5. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes

6. Interest (and original issue discount) on the Bonds is exempt from personal income taxes imposed in the State of California.

7. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph 5 above) and is exempt from State of California personal income tax.

8. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner.

Except as set forth in paragraphs (5), (6), (7) and (8) above, we express no opinion as to any tax consequences related to the Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bondholders. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Bonds. Before purchasing any of the Bonds, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the 2022 Bonds and the taxpayer's particular circumstances.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel with respect to the Bonds terminates upon the issuance of the Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement and any supplements or updates thereto.

Respectfully submitted,

ITEM # 6

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, Director of Public Works

SUBJECT: **MONTEBELLO MUNICIPAL GOLF COURSE RENOVATION PROJECT (CP NO. 894) – IRRIGATION PUMP PURCHASE ORDER**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) By a four-fifths vote of the City Council, authorize the dispensing of a formal bidding procedure for the purchase of the irrigation pump station for the Montebello Municipal Golf Course Renovation Project (CP No. 894), in accordance with Montebello Municipal Code Chapter 3.20.050; and

2) Approve a Purchase Order with MCI Flowtronex in the amount not-to-exceed $295,000 for the irrigation pump station and authorize the City Manager to execute the Purchase Order; and

3) Take such additional, related, action that may be desirable.

FISCAL IMPACT:

On September 14, 2022, the City Council authorized the sale of lease revenue bonds (Series 2002A) in an amount not-to-exceed $16.5 million to fund the design and construction of this project. The recommended purchase order in the amount not-to-exceed $295,000 is a project construction expense and will be paid from bond proceeds.

Staff will create a separate capital project fund to track related design and construction

costs related to the Golf Course Renovation Project. Once the bonds are issued (approximately by mid-October), proceeds will be used to reimburse the City for all related design and construction costs for this project. Subsequent actions will be presented to the City Council to appropriate funds for this capital project. No budget amendment is necessary at this time for this Irrigaton Pump purchase with Flowtronex.

BACKGROUND:

The City Council approved a *Sublessee Development and Participation Agreement* (SDPA) with Topgolf on March 24, 2021 for the Driving Range Relocation Project ("DRR Project"). The DRR Project is adjacent to the Montebello Municipal Golf Course Renovation Project ("GCR Project") and is located along the Via Campo frontage of the golf course campus.

The GCR Project proposes to renovate a portion of the existing Montebello Municipal Golf Course property located immediately south of the DRR Project and northwest of the Quiet Cannon event center. The GCR project area is approximately 72.5 acres of the golf course campus. The proposed project will replace the existing 18-hole golf course with a new and modern first-class championship golf course complex that will complement the adjacent Topgolf facility and existing hotels and Quiet Cannon event center. The project will include a new 9-hole championship golf course with a new club house and putting green complex as well as a new 6-hole/10-hole Par 3 golf course with lights.

The construction of the Golf Course Renovation Project will be phased as follows:

- Phase 1 – Golf course rough site work construction (Civil Contractor) including rough grading, underground and utilities construction, pavement and concrete flatwork; and
- Phase 2 – Golf course construction (Golf Course Contractor) including finished grading, construction of golf course features (i.e. tee boxes, fairways, greens and sand traps), turf and landscaping; and
- Phase 3 – Clubhouse construction.

On August 1, 2022, the City Council authorized the publishing of the Notice Inviting Bids for all three phases. Bids for Phase 1 were opened on September 22, 2022 and staff is currently analyzing the bids received. The publishing of the Phases 2 and 3 Notices Inviting Bids is anticipated in the next 30 days.

The recommended purchase order with MCI Flowtronex is for the purchase and installation of the new irrigation pump station for the irrigation of the renovated golf course turf and surrounding landscaping. Analysis by the landscape architect determined that the existing reclaimed water service connection does not have adequate pressure and volume to adequately service the irrigation system. Therefore, the largest lake near Via San Clemente will be utilized as a reservoir for the new pump station which will supply the irrigation system.

Pre-fabricated irrigation pump stations of this type are a specialty built-to-order item.

Therefore, the lead time for the design and fabrication of these stations is typically an issue for meeting construction schedules, only complicated by the continuing supply chain issues impacting all areas of the economy. As a result, the landscape architect for the project has been in close communication with the three industry leading fabricators (MCI Flowtronex, Rain Bird, and Watertronics) during the development of the design of the project. All three fabricators have quoted a 20 to 28 week delivery period from the date a deposit is paid. It is critical that this order be placed now in order to ensure the irrigation pump is installed by April 2023 when the grass seeding is scheduled to begin. Depending on seasonal weather conditions, grass seeding must begin in April in order to make a late 2023 golf course opening date. Failure to meet this date may require installation of sod in lieu of grass planting at an additional cost of $3 million. Alternatively, and if seasonal weather conditions are not favorable beyond the normal April start of grass seeding season, the opening of the golf course could be delayed by one year in order to seed grass the following growing season in 2024.

ENVIRONMENTAL IMPACT:

On August 1, 2022, the City Council approved the Notice of Exemption pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15301, since the recommended improvements are categorically exempt under Class 1(c) for existing facilities.

ANALYSIS:

Although the recommended action is to dispense with bidding procedures by a four-fifths vote of the City Council in accordance with MMC Chapter 3.20.050, three industry leading fabricators of these types of specialty build-to-order irrigation pump stations were contacted for informal quotes in order to ensure a fair market-value price. The three fabricators contacted included MCI Flowtronex, Rain Bird, and Watertronics. The cost comparison completed by the project Landscape Architect is included in Attachment A. The analysis verified compliance with the project specifications as well as price comparison verifying that MCI Flowtronex offers the lowest all-inclusive total price at $266,534, excluding tax.

Therefore, approval of a purchase order with MCI Flowtronex for a not-to-exceed amount of $295,000 is recommended -- this amount includes anticipated sales tax. Approval will allow the prompt payment of a deposit in order to ensure delivery of the equipment by April 2023, in time for the start of the grass growing season and essential for keeping the project on-schedule.

DISCUSSION:

N/A

SUMMARY:

The City Council is being asked to dispense with a formal bidding procedure in

accordance with MMC Chapter 3.20.050 and approve a purchase order with MCI Flowtronex in an amount not-to-exceed $295,000 for the purchase of the irrigation pump station for the Montebello Municipal Golf Course Renovation Project. Informal quotes were obtained in order to determine that the quoted price for the irrigation pump was a fair market price. At this time, no budget amendment is necessary, as subsequent City Council action will be sought to appropriate necessary funds for the design and construction fo the golf course renovation project. Upon approval by the City Council of the recommended actions, staff will execute the purchase order with MCI Flowtronex in order to initiate the fabrication of the irrigation pump station.

ATTACHMENT(S)

1. Attachment A - Pump Station Cost Comparison

NEXT STEPS:

N/A

BTG GOLF, LLC
IRRIGATION DESIGN & CONSULTING

CITY OF MONTEBELLO GOLF COURSE
PUMP STATION COMPARISION

BTG SPEC ITEM	SPEC SECTION	MCI/FLOWTRONEX	RAIN BIRD	WATERTRONCIS	
PREFABRICATED/SKID MOUNTED	4.0.A	Y	Y	Y	Y-YES
INVERTER DUTY MOTOR	4.1.B	Y	Y	Y	N=NO
SILENT CHECK AND BUTTERFLY VALVE PER MOTOR	4.1.C	Y	Y	Y	U=UNKNOWN
PILOT OPERATED PRESSURE RELIEF	4.1.D	Y	Y	Y	
FLOW SENSOR	4.1.E	Y	Y	Y	
AIR RELEASE	4.1.F	Y	Y	Y	
DISCHARGE PIPE	4.1.H	Y	Y	Y	
400A MAIN DISCONNECT	4.2.B.(1)	Y	Y	Y	
DUAL CONTACTOR PUMP STARTER	4.2.B.(2)	Y	Y	Y	
LOW LAKE LEVEL SENSOR	4.2.B.(3)	Y	Y	Y	
LOW DISCHARGE PRESSURE SHUT-OFF	4.2.B.(4)	Y	Y	Y	
HIGH DISCHARGE PRESSURE SHUT-OFF	4.2.B.(5)	Y	Y	Y	
PHASE FAILURE/LOW VOLTAGE SAFETY	4.2.B.(6)	Y	U	Y	
VFD FAULT SHUTDOWN	4.2.B.(7)	Y	Y	Y	
MOTOR OVERLOAD SHUTDOWN	4.2.B.(8)	Y	Y	Y	
PRESSURE TRANSDUCER	4.2.B.(9)	Y	Y	Y	
NEMA RATED ELECTRIC PANEL	4.2.B.(10)	Y	Y	Y	
PLC CONTROLS	4.2.B.(11)	Y	Y	Y	
CIRCUIT PROTECTION-MIN 200,000 AMP	4.2.B.(12)	Y	Y	Y	
AUXILLARY POWER SUPPLY	4.3	Y	Y	Y	
MONITOR INTERFACE	4.4	Y	Y	Y	
SELF CLEANING FILTER	4.5.A	Y	Y	Y	
MINIMUM 1 YEAR FACTORY WARRANTY	4.6.B	Y	Y	Y	
COMPLETE STATION UL LISTED ASSEMBLY	4.6.C	Y	Y	Y	
PERFORMANCE CRITERIA:	TECHNICAL DATA SHEET				
1600 GPM @ 115 PSI DISCHARGE		Y	Y	Y	
5 HP PRESSURE MAINTENANCE PUMP		Y	Y	Y	
2X75 HP MAIN PUMPS		Y	Y	Y	
4" RELIEF VALVE		Y	Y-SIZE UNK	Y	
ELECTROMAGNETIC FLOW SENSOR		Y	Y	Y	
12" DISCHARGE DOGLEG		Y	Y	Y	
2 X 300MICRON FILTER		Y	SINGLE FILTER	Y	
AUXILLIARY POWER MIN 2KVA		Y	Y	Y	
LAKE SCREEN		Y	Y	Y	
FUSION BONDED EPOXY FOR ONSKID PIPING		Y	N	Y	
FLITERS ARE STAINLESS STEEL		Y	Y	Y	
ONSKID PUMP STATION ENCLOSURE		Y	Y	Y	
TOTAL PRICE (INCLUDING ALL OPTIONS TO MEET SPEC)		$ 263,334.00	$ 245,427.00	$ 242,747.00	
TAX INCLUDED		N	U	N	
FREIGHT INCLUDED		Y	Y	Y	
CRANE FOR OFFLOAD INCLUDED		Y	N	N	
FACTORY STARTUP INCLUDED		Y	Y	Y	
			PRICE IS AFTER		
NOTE: CERTAIN COMMUNICATIONS OPTION PRICING			REBATE		
MAY NOT BE INCLUDED IN THESE PRICES					

PUMP STATION PRICE BREAKDOWN

BASE PRICE	$ 207,107.00	$ 242,747.00	
TAXES	NOT INCLUDED	NOT INCLUDED	
ESTIMATED FREIGHT	$ 7,800.00	INCLUDED	
FACTORY SET	$ 6,500.00	INCLUDED	
INCLUDES CRANE	INCLUDED	NOT INCLUDED	
FACTORY STARTUP	$ 3,500.00	INCLUDED	
ON-SKID ENCLOSURE	$ 38,427.00	$ 39,404.00	(I missed this on the original review)
TOTAL	$ 263,334.00	$ 282,151.00	

OPTIONS OUTSIDE SPEC

CELL CONNECT (RECOMMENDED)	$ 3,200.00
WYE STRAINER BYPASS (NOT NEEDED)	$ 9,685.00
WITH COMMUNICATIONS OPTIONS	$ 266,534.00
WITH ALL OPTIONS	$ 276,219.00

ITEM # 7

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Paul Espinosa, Police Chief

SUBJECT: **WAIVE SECOND READING AND ADOPT ORDINANCE NO. 2453 AMENDING MONTEBELLO MUNICIPAL CODE CHAPTER 2.20 TO ADD A MILITARY EQUIPMENT USE POLICY**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) Waive the Second Reading of and adopt Ordinance No. 2453 establishing a Military Equipment Use Policy in compliance with Assembly Bill 481 ("AB 481"); and

2) Take such additional, related, action that may be desirable.

FISCAL IMPACT:

There is no fiscal impact associated with recommended actions.

BACKGROUND:

On June 22, 2022, the Montebello Police Department ("MPD") presented a Military Equipment Use Policy ("Policy") (Attachment "A") to the City Council and received approval of the Policy. On August 24, 2022, Ordinance No. 2453 (Attachment "B") establishing the Montebello Police Department's ("MPD") Policy was introduced by the City Council. In accordance with the requirements of AB 481, the Policy was made available to the public on the MPD website on May 27, 2022 and a public hearing was held on September 14, 2022.

ENVIRONMENTAL IMPACT:

N/A

ANALYSIS:

N/A

DISCUSSION:

Assembly Bill 481 codified in Government Code sections 7070 through 7075, requires a law enforcement agency ("LEA") to obtain approval from the applicable governing body, via adoption of a Military Equipment Use Policy (the "Policy") by ordinance prior to the LEA funding, acquiring, or using military equipment. "Military equipment" as defined under AB 481 includes, but is not limited to, unmanned aerial or ground vehicles, armored vehicles, command and control vehicles, pepper balls, less lethal shotguns, less lethal 40mm projectile launchers, long range acoustic devices, and flashbangs. Notwithstanding the definition stated above, "military equipment" does not include general equipment not designated as prohibited or controlled by the federal Defense Logistics Agency, per Government Code section 7070(c)(16).

The MPD does not currently have any military equipment that is prohibited or controlled by the Federal Defense Logistics Agency.

SUMMARY:

Staff recommends that the City Council conduct the second reading of and adopt Ordinance No. 2453 establishing the Military Equipment Use Policy.

ATTACHMENT(S)

1. Attachment A - Military Equipment Use Policy
2. Attachment B - AB 481 Ordinance No. 2453

NEXT STEPS:

N/A

Military Equipment

707.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072) for the Montebello Police Department ("Department").

707.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Department. **Military equipment** – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue handguns.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

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707.2 POLICY

It is the policy of the Montebello Police Department that members of this Department comply with the provisions of Government Code § 7071 with respect to military equipment.

707.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police should designate a member of this Department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

(a) Acting as liaison to the governing body for matters related to the requirements of this policy.

(b) Identifying Department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.

(c) Conducting an inventory of all military equipment at least annually.

(d) Collaborating with any allied agency that may use military equipment within the jurisdiction of Montebello Police Department (Government Code § 7071).

(e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:

1. Publicizing the details of the meeting.
2. Preparing for public questions regarding the [department/office]'s funding, acquisition, and use of equipment.

(f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the Department website (Government Code § 7072).

(g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

707.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department:

- The Montebello Police Department does not currently have any "Military Equipment" that is prohibited or controlled by the Federal Defense Logistics Agency per CA Government Code 7070(c)(16).

707.5 APPROVAL

The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the

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Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the Department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

(a) Requesting military equipment made available pursuant to 10 USC § 2576a.

(b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this Department.

(e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.

(f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.

(g) Acquiring military equipment through any means not provided above.

707.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment should not be used by any other law enforcement agency or member in this jurisdiction unless the military equipment is approved for use in accordance with this policy.

707.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the Department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in Department inventory.

707.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment. Any member of the public can submit a question, comment or concern by contacting the Montebello Police Department.

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ORDINANCE NO. 2453

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, ADDING SECTION 2.20.050 "MILITARY EQUIPMENT USE POLICY" TO CHAPTER 2.20, TITLE 2, OF THE MONTEBELLO MUNICIPAL CODE ESTABLISHING A MILITARY EQUIPMENT USE POLICY IN COMPLIANCE WITH ASSEMBLY BILL 481

RECITALS

WHEREAS, on September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481") (creating Government Code section 7070, et seq.), relating to the use of military equipment by California law enforcement agencies; and

WHEREAS, AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, or used; and

WHEREAS, AB 481 requires that a law enforcement agency possessing and using qualifying military equipment must prepare a written and publicly released military equipment use policy document covering the inventory, description, purpose, use, acquisition, maintenance, fiscal impacts, procedures, training, oversight, and complaint process applicable to the Montebello Police Department's use of such equipment; and

WHEREAS, the Military Equipment Use Policy ("Policy") and supporting information must be approved by the governing body by ordinance and reviewed annually; and

WHEREAS, Government Code section 7070(c)((16) states that "military equipment" does not include general equipment not designed as prohibited or controlled by the federal Defense Logistics Agency; and

WHEREAS, the Montebello Police Department does not yet possess those items of equipment that qualify as "military equipment" under AB 481, but may possess such items in the future; and

WHEREAS, the City Council of the City of Montebello ("City"), having received the information required under AB 481 regarding the Montebello Police Department's use of military equipment as defined in said law, deems it to be in the best interest of the City to approve the Military Equipment Use Policy as set forth herein.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and made part of this Ordinance.

SECTION 2. AMENDMENTS; ADDITIONS. Section 2.20.050, "Military Equipment Use Policy," is added to Chapter 2.20, "Police and Fire Departments," of Title 2, "Administration and Personnel," of the Montebello Municipal Code and will read as follows (additions in double underline):

TITLE 2 – ADMINISTRATION AND PERSONNEL
CHAPTER 2.20 – POLICE AND FIRE DEPARTMENTS

2.20.050 Military Equipment Use Policy

A. The City Council has made the following determinations:

1. In the event that the Montebello Police Department ("Department") obtains equipment that qualifies as "military equipment" under Assembly Bill 481, the military equipment will be identified in the Montebello Military Equipment Use Policy ("Policy") and will be necessary where there is no reasonable alternative that can achieve the same objective of officer and civilian safety;
2. The Policy will safeguard the public's welfare, safety, civil rights, and civil liberties;
3. The military equipment identified in the Policy will be reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety, if any.

B. The Department has submitted a proposed Policy to the City Council and has made those documents available on the Department's website for at least 30 days prior to the public hearing concerning the military equipment use issue.

C. The Policy was considered by the City Council as an agenda item in an open session of a regular meeting, noticed in accordance with the Ralph M. Brown Act, at which public comment was permitted.

D. The Policy shall be made publicly available on the Department's website for as long as the military equipment is available for use.

E. The Department shall submit an annual military equipment report to the City Council, containing the information required in Government Code section 7072, and the City Council shall determine whether each type of military equipment identified in that report has complied with the standards for approval set forth section (A)(1-3) above. The City Council shall review this ordinance and vote on whether to renew it, on an annual basis at a regular meeting, in accordance with Government Code section 7071(e)(2).

SECTION 3. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after approval by the Council.

SECTION 4. PUBLICATION. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published or posted according to law.

APPROVED AND ADOPTED this 28th day of September, 2022.

_____
Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

_____
Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

I HEREBY CERTIFY that the foregoing Ordinance was introduced at the regular meeting of the City Council on the 24th day of August, 2022 and was adopted by the City Council of the City of Montebello at its meeting held on the 28th day of September, 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Christopher Jimenez, City Clerk

ITEM # 8

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando Pelaez, Fire Chief

SUBJECT: **APPROVE RECEIPT OF A GRANT AWARD FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY FISCAL YEAR 2021 ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM AND APPROPRIATE FUNDS IN FISCAL YEAR 2022-23**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) Approve the appropriation of $183,848 awarded to the Fire Department by the Federal Emergency Management Agency (FEMA), Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program; and

2) Amend the Fiscal Year 2022-23 budget by increasing appropriations by $183,848 in Expense Account No. 265-85-857-6010.10 (Grants, Fire, Assistance to Firefighters Grant, Machinery and Equipment) and Revenue Account No. 265-99-4198.20 (Grants, Miscellaneous Grants, Assistance to Firefighters); and

3) Take such additional, related, action that may be desirable.

FISCAL IMPACT:

The FEMA Fiscal Year 2021 AFG Program awarded the Montebello Fire Department $183,848 for the installation of diesel exhaust capturing equipment at all three fire stations (Attachments A). Staff requested and received permission to apply for this grant at the City Council meeting held on December 8, 2021 (Attachment B). The City has

been successful in being awarded funds, and the City Council is now being asked to amend the Fiscal Year 2022-23 budget by increasing appropriations by $183,848 in Expense Account No. 265-85-857-6010.10 (Grants, Fire, Assistance to Firefighters Grant, Machinery and Equipment) and Revenue Account No. 265-99-4198.20 (Grants, Miscellaneous Grants, Assistance to Firefighters).

BACKGROUND:

The Fiscal Year 2021 AFG Program is one of three grant programs that constitute FEMA's focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program provides financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTAs) for critical training and equipment. The AFG Program has awarded approximately $7.7 billion in grant funding to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience.

The City applied for funding under the Operations and Safety related activities category of this grant program (Attachment B). The awarded funds will provide for the installation of diesel exhaust capturing equipment at all three fire stations. The project will include the removal and replacement of more than twenty year old, outdated diesel exhaust capturing equipment from the three fire stations as well as the initial installation of diesel exhaust capturing equipment. The existing equipment that was installed in 2001 is now at the end of its service life. The health and wellness of fire personnel is of the utmost importance to the Department, leveraging these grant funds will improve ventilation and air quality at the City's fire stations.

ENVIRONMENTAL IMPACT:

This item is not subject to the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Because there is no possibility that this item may have a significant adverse effect on the environment, the item is exempt from CEQA.

ANALYSIS:

N/A

DISCUSSION:

N/A

SUMMARY:

That the City Council approve the appropriation of $183,848 awarded to the Fire Department by the FEMA Fiscal Year 2021 AFG Program (Attachment A) and Amend the Fiscal Year 2022-23 budget by increasing appropriations by $183,848 in Expense Account No. 265-85-857-6010.10 (Grants, Fire, Assistance to Firefighters Grant, Machinery and Equipment) and Revenue Account No. 265-99-4198.20 (Grants, Miscellaneous Grants, Assistance to Firefighters).

ATTACHMENT(S)

1. Attachment A - AFG FY2021 Grant Award Letter
2. Attachment B - Regular Meeting Agenda, December 8, 2021

NEXT STEPS:

N/A

Award Letter

U.S. Department of Homeland Security
Washington, D.C. 20472

Effective date: 08/23/2022

Angelica Palmeros
MONTEBELLO, CITY OF
1600 WEST BEVERLY BLVD. FINANCE DEPARTMENT
MONTEBELLO, CA 90640

EMW-2021-FG-06070

Dear Angelica Palmeros,

Congratulations on behalf of the Department of Homeland Security. Your application submitted for the Fiscal Year (FY) 2021 Assistance to Firefighters Grant (AFG) Grant funding opportunity has been approved in the amount of $183,848.18 in Federal funding. As a condition of this grant, you are required to contribute non-Federal funds equal to or greater than 10.0% of the Federal funds awarded, or $18,384.82 for a total approved budget of $202,233.00. Please see the FY 2021 AFG Notice of Funding Opportunity for information on how to meet this cost share requirement.

Before you request and receive any of the Federal funds awarded to you, you must establish acceptance of the award through the FEMA Grants Outcomes (FEMA GO) system. By accepting this award, you acknowledge that the terms of the following documents are incorporated into the terms of your award:

- Summary Award Memo - included in this document
- Agreement Articles - included in this document
- Obligating Document - included in this document
- 2021 AFG Notice of Funding Opportunity (NOFO) - incorporated by reference

Please make sure you read, understand, and maintain a copy of these documents in your official file for this award.

Sincerely,



PAMELA WILLIAMS
Assistant Administrator, Grant Programs

Summary Award Memo

Program: Fiscal Year 2021 Assistance to Firefighters Grant
Recipient: MONTEBELLO, CITY OF
UEI-EFT: J8RSDMN5KCQ7
DUNS number: 066677386
Award number: EMW-2021-FG-06070

Summary description of award

The purpose of the Assistance to Firefighters Grant program is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. After careful consideration, FEMA has determined that the recipient's project or projects submitted as part of the recipient's application and detailed in the project narrative as well as the request details section of the application - including budget information - was consistent with the Assistance to Firefighters Grant Program's purpose and was worthy of award.

Except as otherwise approved as noted in this award, the information you provided in your application for Fiscal Year (FY) 2021 Assistance to Firefighters Grants funding is incorporated into the terms and conditions of this award. This includes any documents submitted as part of the application.

Amount awarded table

The amount of the award is detailed in the attached Obligating Document for Award.

The following are the budgeted estimates for object classes for this award (including Federal share plus your cost share, if applicable):

ITEM # 25

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fire Chief Fernando Pelaez, Fire Department

SUBJECT: **Approval to Submit Application for the Department of Homeland Security (DHS) / Federal Emergency Management Agency (FEMA) Fiscal Year 2021 Assistance to Firefighters Grant Program (AFG)**

DATE: December 8, 2021

RECOMMENDATION(S):

It is recommended that the City Council:

1) Approve the submission of the grant application for Department of Homeland Security (DHS), Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program; and

2) Take such additional, related, action that may be desirable.

FISCAL IMPACT

The Department of Homeland Security (DHS)/ Federal Emergency Management Agency (FEMA), Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program currently has a funding opportunity to submit a competitive grant application. Depending on the scope of the project, the City could potentially receive up to $475,000 for the project with a 10% local matching funds requirement. If a grant is awarded and once the amount is determined, staff will return to the City Council with a request to appropriate the funds.

BACKGROUND

The Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program is one of three grant programs that constitute the Department of Homeland Security (DHS)/ Federal Emergency Management Agency's (FEMA's) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program provides

financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTAs) for critical training and equipment. The AFG Program has awarded approximately $7.7 billion in grant funding to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience.

DISCUSSION

The Department of Homeland Security (DHS)/ Federal Emergency Management Agency (FEMA), is accepting applications for the Assistance to Firefighters Grant (AFG). The objectives of the AFG program are to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience. This grant provides three activities: 1) Operations and Safety, 2) Vehicle Acquisition, and 3) Regional Projects.

The Department is seeking to submit a grant proposal seeking funding that will be intended to be used towards enhancement of all three (3) of the Department's fire stations and support training, applying under the appropriate category based on specific needs. The additional funding resources would provide much needed operational infrastructure that will support the Fire Department's overall strategic goals in the delivery of fire services to the community.

SUMMARY

That the City Council approve the submission of the grant proposal application for the Department of Homeland Security (DHS)/ Federal Emergency Management Agency (FEMA), Fiscal Year 2021 Assistance to Firefighters Grant (AFG) Program.

ATTACHMENT(S):

None.

ITEM # 9

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Adrianna Kendricks, Director of Transportation

SUBJECT: **AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-2) FOR THE MAINTENANCE HOSE REELS REPLACEMENT**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) Approve issuing a Maintenance Hose Reels Request for Proposal, No. 23- 2 (RFP No. 23-2); and

2) Take such additional, related, action that may be desirable.

FISCAL IMPACT:

There is no fiscal impact related to issuing RFP No. 23-2 for maintenance hose reels replacement services (see Attachment "A"). Once a contractor is selected for award, the City Council will be requested to approve an agreement and amend the Fiscal Year 2022-23 Budget as needed to appropriate funds. The requested services will be funded with PTMISEA STATE 10/11, PTMISEA STATE 18/19, and SB1 SGR 21/22 funds -- all Transit related restricted revenue sources.

BACKGROUND:

The City of Montebello is soliciting proposals from highly-qualified contractors to remove, dispose of, and replace existing hose reels located at the Transportation Department's corporate yard facility with high performance and dual pedestal framed hose reels

designed for heavy-duty jobs that require high-frequency use, extra strength, and durability. Montebello Bus Lines (MBL) serves 13 cities as the fourth-largest municipal bus system in Los Angeles County and operates a fleet of 66 buses. To provide reliable and efficient public transportation services to the residents of Montebello and neighboring communities, MBL relies on its Maintenance Division to have the state-of-the-art equipment required to maintain MBL's fleet.

The existing hose reels are original to the Transportation Facility that was built in 1996. The hose reels have exceeded the useful life expectancy and are inoperable due to extensive usage. MBL's Maintenance Division determined the condition of the hose reels as unrepairable or suitable for the original purposes. The replacement of the existing hose reels with heavy-duty high performance and dual pedestal framed hose reels will provide MBL with the needed resources to maintain the fleet and provide safe, reliable, and efficient public transportation services to the City and surrounding communities.

Once approved, the notice inviting proposals will be published using Planetbids.com, Masstransitmag.com, Transittalent.com, and the Wave Newspaper, beginning September 29, 2022. All bids will be submitted through the Planetbids.com platform. The due date for all proposals will be October 27, 2022. It is anticipated that a Contractor will be selected in November, with an award of a professional services agreement brought before the City Council for consideration shortly thereafter.

ENVIRONMENTAL IMPACT:

N/A

ANALYSIS:

MBL requests authority to issue RFP No. 23-2 to identify a contractor for the assessment, removal, disposal, and replacement of existing hose reels with heavy-duty high performance and dual pedestal framed hose reels. The hose reels replacement will improve the efficiency and productivity of MBL's daily business operations and maintenance of the fleet. The selected contractor will possess the necessary aptitude and experience required to complete the project objective to assess MBL's current facility and to remove, dispose, replace, install, and test the heavy-duty dual pedestal framed hose reels.

A selection process will be used to evaluate proposals based on various qualitative components, and award an agreement based on a combination of price and qualitative considerations. Qualitative considerations include a management plan, quality of proposed personnel, qualifications and experience, and technical approach.

Proposals will be evaluated based on the basis of the following qualitative and quantitative factors with the weighted value set forth below:

QUALITATIVE AND QUANTITATIVE CONSIDERATIONS		
#	**Categories**	**Weighted Points (Pts)**
1	Project Management Plan	10 pts
2	Proposed Project Team	20 pts
3	Firm Qualifications and Experience	15 pts
4	Technical Approach	25 pts
5	Price	30 pts
	TOTAL	100 pts

DISCUSSION:

N/A

SUMMARY:

Staff recommends that the City Council approve the issuance of RFP No. 23-2, attached hereto in substantial form, for the maintenance hose reels replacement; and direct staff to take such additional, related, action that may be desirable.

ATTACHMENT(S)

1. Attachment A - Request for Proposal (RFP) No. 23-2

NEXT STEPS:

N/A

City of Montebello

Request for Proposals (RFP) No. 23-2

Maintenance Hose Reels Replacement

Date Issued: September 29, 2022

Proposals Due: October 27, 2022

ONLINE PROPOSAL SUBMITTAL ONLY THROUGH PLANET BIDS

NOTE: Updates, changes or addendums to the RFP are posted at:
https://pbsystem.planetbids.com/portal/33072/portal-home

TABLE OF CONTENTS

INTRODUCTION **5**

COVER LETTER **6**

TIMETABLE & SCHEDULE OF EVENTS **7**

SECTION 1 – INSTRUCTIONS TO PROPOSERS **8**

PROPOSAL FORMAT AND SUBMITTAL 8

Organizational Information Required From the Contractor *9*

EXAMINATION OF PROPOSAL DOCUMENTS 9

SECTION 2 – GENERAL TERMS AND CONDITIONS **10**

ADDENDA 10

CLARIFICATIONS 10

DISCREPANCIES AND MISUNDERSTANDINGS 10

WITHDRAWAL OF PROPOSALS 11

REFERENCES 11

PROPOSAL SIGNATURES 11

PRE-CONTRACTUAL EXPENSES 11

PERFORMANCE GUARANTEE 11

CITY OF MONTEBELLO RIGHTS 12

STATE CREDENTIALS AND TAXES 12

RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS 12

CONFIDENTIALITY AND PUBLIC RECORD 12

JOINT OFFERS 12

COMPANY PERSONNEL 13

SINGLE PROPOSAL RESPONSE 13

PROTEST PROCEDURES 13

INCORPORATION OF PROPOSAL INTO AGREEMENT 13

TIME OF COMPLETION 13

PAYMENT 14

CONTRACT DOCUMENTS: ORAL CHANGES / CONTRACT TERMINATION 14

SCOPE OF CONTRACT 14

PERFORMANCE OF WORK 14

ACCESS TO SITE 14

PREPARATION 15

OWNERSHIP OF DATA 15

AWARD OF CONTRACT 15

PROPOSALS EVALUATION 16
POINT OF CONTACT 17
EVALUATION CRITERIA 18
SECTION 3 – QUALIFICATIONS 19
MINIMUM NECESSARY QUALIFICATIONS 19
SECTION 4 – SCOPE OF WORK 19
PROJECT OVERVIEW 19
REELS SPECIFICATION 20
TESTING 20
WARRANTY 20
SECTION 5 – FORM OF CONTRACT (SAMPLE) 21
SECTION 6 – EXHIBITS 32
EXHIBIT A 32
Proposal Submission Check List 32
EXHIBIT B 33
Letter of Transmittal 33
EXHIBIT C 35
Certificates, Licenses, Permits, and Registrations 35
EXHIBIT D 36
Indemnification and Hold Harmless Agreement and Waiver of Subrogation and Contribution 36
EXHIBIT E 37
References 37
EXHIBIT F 38
Insurance 38
EXHIBIT G 39
Cost Proposal Sheet 39
EXHIBIT H 40
Statement of Disadvantaged Business Enterprise (DBE) Participation 40
EXHIBIT I 41
Bidder's List of Subcontractor (DBE and Non-DBE) 41
EXHIBIT J 43
Debarment and Suspension Certification 43
EXHIBIT K 44
Performance Bond 44

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INTRODUCTION

The City of Montebello ("City") is soliciting proposals from highly-qualified contractors to remove, dispose, and replace existing hose reels, as well as associated components (e.g., meters, water bibs, grease guns, jumper hoses, etc.), with high performance and dual pedestal framed hose reels designed for heavy-duty jobs that require high-frequency use, extra strength, and durability. The Contractor will conduct an assessment of the existing hose reel system located at the Transportation Department's ("MBL") facility.

As the fourth-largest municipal bus system in Los Angeles County, MBL proudly serves 4.5 million passengers a year throughout the communities of Alhambra, Bell Gardens, San Gabriel, Boyle Heights, Commerce, Downtown Los Angeles, East Los Angeles, La Mirada, Montebello, Monterey Park, Pico Rivera, Rosemead, South Gate, and Whittier. In order to provide reliable and efficient public transportation services to the residents of Montebello and neighboring communities, MBL relies on the Maintenance Division to have state-of-the-art equipment required to maintain MBL's fleet.

The awarded Contractor ("Contractor") will possess the necessary aptitude and experience required to complete the project objective and install the dual pedestal framed hose reels.

The City reserves the right to reject any or all proposals, waive information or irregularities to the extent permitted by law in any proposal received, and be the sole judge of the merits of the respective proposals received.

COVER LETTER

DATE: September 29th, 2022

ATTENTION: PROSPECTIVE PROPOSERS

SUBJECT: REQUEST FOR PROPOSAL (RFP) NO. 23-2

TITLE: CITY OF MONTEBELLO and MONTEBELLO BUS LINES

MAINTENANCE HOSE REELS REPLACEMENT

The City of Montebello ("City"), Montebello Bus Lines ("MBL"), is soliciting proposals ("Proposals") from highly-qualified contractors ("Contractors") to provide the technical expertise required for the removal of existing hose reels, as well as associated components (e.g., meters, water bibs, grease guns, jumper hoses, etc.) at the City's transportation facility. The Contractor will replace the existing hose reels with high performance and dual pedestal framed hose reels designed for heavy-duty jobs that require high-frequency use, extra strength, and durability.

A Pre-Proposal Meeting will be held on **Thursday, October 6, 2022**. The meeting will convene at **10:00 AM Pacific Standard Time** in the Transportation Facility located at 400 South Taylor Avenue, Montebello. A facility walk-thru will follow the meeting. Proposers must abide by all Federal, State, local, and City coronavirus (COVID-19) protective measures (e.g., face coverings) at all times while onsite.

It is highly recommended that all potential proposers ("Proposers") attend this important meeting. All correspondence, communications, and contact concerning any aspect of this solicitation or offers shall be only with the following person [or his designated representative if applicable] (hereinafter, the "City's Point of Contact").

Name:	Rohan Anderson
Title:	Senior Procurement Analyst
Address:	City of Montebello, Transportation Facility 400 S. Taylor Ave., Montebello, CA 90640
Telephone:	(323) 558-1625 ext.104
E-mail:	randerson@cityofmontebello.com

Only substantive inquiries will receive a response. All substantive questions submitted in writing as outlined below will be responded to according to the guidelines contained herein. Responses will be in writing and will be provided to all prospective Proposers and placed on the City's website. Responses to questions or comments regarding this RFP provided by any other department, or employee, other than the contact person set forth above shall not be considered valid and the City will not be bound by any such comments or responses. Inquiries received via telephone or orally in person will not receive a response.

Proposals must be received by **Thursday, October 27, 2022, 3:00 PM Pacific Standard Time** and submitted in accordance with the instructions contained in this RFP. No exceptions will be granted regardless of reason or circumstances.

All Proposals must contain an original signature by an authorized officer of the company.

The successful Proposer will be required to comply with all applicable Equal Opportunity Laws and Regulations. The City hereby notifies all prospective Proposers that the City will require each Proposer affirmatively demonstrate that Disadvantaged Business Enterprises are afforded full opportunity to participate in the performance of contracts and subcontracts financed in part or whole under this RFP, and will not be discriminated against on the grounds of race, color, gender, age, or national origin in consideration for an award.

The City reserves the right to reject any or all proposals, to accept all or any part of any proposal, to waive any informality or minor irregularities in any proposal received to the extent permitted by law and where such action best serves the interest of the City, and to be the sole judge of the merits of the respective proposal received.

The City is committed to ensuring that no person is excluded from participation in, or denied the benefits of its programs and/or services based on race, color, or national origin per FTA Circular 4704.1 and Title VI of the Civil Rights Act of 1964, as amended ("Title VI"). In addition to Title VI, NTS also prohibits discrimination based on sex, age, or disability.

Any person who believes he or she has been subjected to discrimination under Title VI can file a complaint with MBL. For more information on MBL's Civil Rights Program, and the procedures to file a complaint, contact:

Name:	Adrianna Kendricks
Title:	Director of Transportation
Address:	City of Montebello, Transportation Facility 400 S. Taylor Ave., Montebello, CA 90640
Telephone:	(323) 558-1625
Fax Number:	(323) 887-4643
E-mail:	RideMBL.com

You may also contact the Federal Coordination and Compliance Office, Civil Rights Division at the Title VI Hotline: 888-TITLE-06 (888-848-5306) or send a letter to:

U.S. Department of Justice
Civil Rights Division
Federal Coordination and Compliance Section, NWB
950 Pennsylvania Avenue, N.W. Washington, D.C. 20530
More information on Title VI is available from the Justice Department online at www.justice.gov

TIMETABLE & SCHEDULE OF EVENTS

Scheduled Tasks	**Scheduled Date**	
Issuance of RFP	Thursday	September 29, 2022
Pre-Proposal Meeting	Thursday	October 6, 2022 at 10:00 AM PST
Deadline to Submit Questions	Tuesday	October 13, 2022 at 3:00 PM PST
Responses to Questions Provided	Tuesday	October 18, 2022
Deadline to Submit Proposals	Thursday	October 27, 2022 at 3:00 PM PST
Presentations & Intent to Award	**Week of November 10, 2022**	

SECTION 1 – INSTRUCTIONS TO PROPOSERS

PROPOSAL FORMAT AND SUBMITTAL

Proposals can be submitted via the PlanetBids.com Portal, accessed through the City's official website at https://www.cityofmontebello.com/rfp-bids/bid-opportunities.html.

Deadline to Submit Proposals	**Thursday**	**October 27, 2022, at 3:00 PM PST**

All proposals must contain an original signature by an authorized officer of the company. Proposals received after the date and time listed above will not be considered.

The following proposal format with the required contents has been developed to enable a consistent proposal evaluation. Failure to submit the requested documents may render the proposal non-responsive and rejected. Proposals shall not include any unnecessarily elaborate or promotional material. Proposals may not be modified or corrected after being opened unless an addendum is issued requesting resubmissions. Proposals will not be valid until all information has been verified and Proposers references have been checked. All proposals shall be accompanied by a completed and signed letter of transmittal provided as a part of this RFP.

All requests for exceptions or deviations as a result of this RFP shall be clearly identifiable by a separate section of the Proposer's submitted proposal for review by the City. It shall be the right of the City to accept or reject any portion of the submitted requests.

Proposals shall be submitted in accordance with the form prescribed herein. Failure to respond in this manner may render the proposal non-responsive. Unauthorized conditions, limitations, or provisions attached to a proposal will render the proposal non-conforming and non-responsive and may cause its rejection. The completed proposal shall be without interlineations, alterations, or erasures. Proposer submitting basic conforming proposals may choose to submit alternate proposals as complete and separate offers, if the alternate proposal offers technical or other improvements or modifications, which are to the overall benefit of the City. Any and all alternate proposals must be submitted in writing and included with the original proposal, conforming to the requirements as stated herein. No verbal modifications will be accepted.

Proposals shall be typed single-spaced and submitted on 8 ½ by 11 inch paper in the following format and include the sections specified below:

- Proposal Submission Check List (EXHIBIT A)
- Proposal and Organizational Information Required From the Contractor (SECTION 1)
- Letter of Transmittal (EXHIBIT B)
- Certificates, Licenses, Permits, and Registrations (EXHIBIT C)
- Indemnification and Hold Harmless Agreement and Waiver of Subrogation and Contribution (EXHIBIT D)
- References (EXHIBIT E)
- Project Portfolio References (SECTION 3)
- Insurance (SECTION F)
- Cost Proposal (EXHIBIT G)
- Statement of Disadvantaged Business Enterprise Participation (EXHIBIT H)
- Bidder's List of Subcontractor (DBE and Non-DBE) (EXHIBIT I)
- Debarment and Suspension Certification (EXHIBIT J)
- Performance Bond (EXHIBIT K)

ORGANIZATIONAL INFORMATION REQUIRED FROM THE CONTRACTOR

A. Cover Letter
   - Introduction of firm signed by an authorized Principal of the firm.
   - Name, address, and phone number of firm.
   - Years in business providing services described herein.
   - Brief statement of understanding of the services to be performed.
   - Include the name and signature of binding official authorized to answer questions regarding the firm's proposal.

B. Qualifications and Experience of Firm and/or Team
   - Describe other contracts (at least three) similar in scope, size or discipline to the required services described herein, performed or undertaken within the past five years.
   - Describe projects that sub-contractors have performed with a similar scope, size, or discipline within the past five years.
   - Provide references, including name, address, email address, and telephone number of a contact person for each project identified and described.
   - Provide and identify the firm's financial condition documentation
   - Indicate commencement dates, duration, and type of operation.
   - Provide a list of all public transportation clients in California.

C. Project Manager(s) and Key Project Personnel
   - Clearly identify the professional staff person(s) who would be assigned as Project Manager(s) and provide resumes. The resume should indicate the abilities, qualifications, education, and experience of these individuals.

D. Work Plan and Scope of Work (SOW)
   - Include an SOW that at least meets the minimum requirements of the RFP.
   - Acknowledge any requirements of the scope that cannot be met and are not part of the supplier's proposal.
   - Include a detailed implementation plan.

E. Project Schedule
   - Account for each activity in the SOW and bidder's approach to work.
   - Define a realistic timeline, measured in days, to complete SOW after award.

F. Subcontractors and Work by Others
   - Identify any subcontractor to serve on the project with their qualifications.
   - Describe all work needed to complete the SOW not included in the proposal.
   - Include work to be completed by MBL with duration estimates.
   - Any work not included in "Work Done by Others" will be considered work the bidder will do.

G. Contract
   - The City has included its standard contract in Section 5. Identify all exceptions to the agreement that would prevent your Firm from executing it. The City will consider and discuss exceptions during negotiations.

H. Completeness of Proposal Statement
   - Provide a table of contents. Respond to all items listed in the submission requirements section and provide all other documents requested.

EXAMINATION OF PROPOSAL DOCUMENTS

By submitting a proposal, Proposer represents that: (1) Proposer has thoroughly examined and become familiar with the SOW required under this RFP, (2) Proposer comprehends all conditions that may impact the proposal, (3) Proposer has reviewed all addenda, and (3) Proposer is capable of providing the equipment, goods and services necessary to perform the SOW and/or meet the specifications outlined in this RFP, in a manner that

meets the City's objectives. Failure to examine the documents and inform itself shall be at the Proposers' own risk. A Proposer shall have no claim against the City based upon ignorance of or misunderstanding of the RFP documents. Once the award has been made, failure of a Proposer to have read all of the conditions, instructions and the agreement shall not be cause to alter any term of the agreement nor shall such failure provide valid grounds for a Proposer to withdraw its proposal or to seek additional compensation.

SECTION 2 – GENERAL TERMS AND CONDITIONS

ADDENDA

Any changes made by the City to the requirements in this RFP will be made by written addenda. Any written addenda issued to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The City will not be bound by any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. The City reserves the right to revise or withdraw this RFP at any time and for any reason.

CLARIFICATIONS

Should a Proposer require clarifications of this RFP, the Proposer shall notify the contact person identified in this RFP in writing. Should the City, in its sole discretion, determine that the point in question is not clearly and fully set forth; the City will issue a written addendum clarifying the matter. The said addendum shall be posted on the PlanetBids.com web page.

All questions, clarifications, or comments must be submitted to or no later than the time and date listed in the **TIMETABLE & SCHEDULE OF EVENTS** of this RFP. No questions will be answered individually by the City.

Requests for clarification, questions, and comments must be clearly posted on the PlanetBids Q & A section. The City is not responsible for failure to respond to a request that has not been submitted in accordance with this section.

Responses by the City to the clarifications, comments, and questions will be communicated via PlanetBids. Every attempt will be made to provide responses to all Proposers in accordance with the procurement schedule for this RFP. Inquiries received after the deadline will not be accepted and will be returned to the sender without a response.

Requests for clarifications and questions should be formatted in the following manner:

1. Section
2. Paragraph number
3. Page number
4. Text of passage being questioned
5. Question

DISCREPANCIES AND MISUNDERSTANDINGS

Proposing Companies must satisfy themselves by personal examination of any worksites, drawings, SOW and by any other means as they may believe necessary, as to the actual physical conditions, requirements, and difficulties under which the work must be performed. No Proposing Company shall at any time after submission of the proposal, make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies found in any plans, specifications, or other documents provided, shall be called to the attention of the Buyer and clarified prior to the submission of proposals.

WITHDRAWAL OF PROPOSALS

Proposers may withdraw their proposals in writing, provided that such requests are received by the City prior to the scheduled deadline for proposal submission or within six months following the scheduled deadline for proposal submission when no contract has been awarded.

REFERENCES

All reference information requested in this RFP and specified in the form included in this RFP must be submitted with the proposal. Refer to Exhibit E.

At the discretion of the Evaluation Committee, the City may elect to perform site visits at the Proposer's customer locations. These optional site visits will be in addition to any presentations and/or technical demonstrations. Some or all RFP Evaluation Committee members would travel, at City expense, to sites at which finalist Proposers are performing like services. The purpose of such visits shall be to provide the evaluation team with an increased understanding of the process and assess the Proposer's implementation and performance.

PROPOSAL SIGNATURES

If an individual makes the proposal it shall be signed and the full name and address of the Proposer shall be given.

If a partnership makes the proposal, it shall be signed with the partnership name, by a member of the partnership who shall sign by name and the name and address of each partner shall be given.

If a corporation prepares the proposal, the name of the corporation shall be provided and signed by two (2) duly authorized Officers and, if available, stamped with the corporate seal, and the names and titles of all officers of the corporation shall be given. If a corporation provides a certified letter stating that one (1) duly authorized officer's signature is binding for the corporation, this will suffice to omit the second signature requirement in the proposal. A certified letter is to be included in the proposal accompanied with the Letter of Transmittal.

PRE-CONTRACTUAL EXPENSES

The City will be under no obligation for payment of pre-contractual expenses. Pre-contractual expenses are defined as expenses incurred by Proposer in:

- Preparing the proposal in response to this request.
- Submitting that proposal to the City.
- Negotiating with the City any matter related to this proposal, and/or
- Any other expenses incurred by the Proposer prior to date of award.

PERFORMANCE GUARANTEE

A Performance Guarantee in the amount of 100% of the Contract value is required by the City to ensure faithful performance of the Contract. The performance bond shall be provided by the Contractor and shall remain in full force for the term of the Agreement.

The successful Contractor shall certify that it will provide the requisite Performance Guarantee to the City within ten (10) business days from Contract execution (Exhibit K). The City requires all performance bonds to be provided by a fully qualified surety company acceptable to the City and listed as a company currently authorized under 31 C.F.R. part 22 as possessing a Certificate of Authority as described hereunder. The City may require additional performance bond protection when the contract price is increased. The increase in

protection shall generally equal 100 percent of the increase in the contract price. The City may secure additional protection by directing the Contractor to increase the amount of the existing bond or to obtain an additional bond.

CITY OF MONTEBELLO RIGHTS

In its discretion, the City reserves the right to:

1. Reject any and/or all proposals for no reason or any reason including but not limited to the following:
    a. The proposal is incomplete, non-responsive, obscure, irregular, or lacks necessary detail and specificity.
    b. The Proposer, in the sole judgment of the City, lacks the qualifications, experience, and/or responsibility necessary to provide the services.
    c. The Proposer failed or neglected to complete and submit any information within the time specified by the City, and as may be otherwise required herein.
2. Reject any proposal that, in the opinion of the City, is so unbalanced in comparison to other proposals received and/or to the City's internal estimates that it does not accurately reflect the cost to perform.
3. Accept all or any part of a proposal.
4. Cancel the entire RFP;
5. Issue subsequent RFPs;
6. Waive any errors or informalities in any proposal, to the extent permitted by law.

STATE CREDENTIALS AND TAXES

The Proposer shall be appropriately licensed in accordance with the laws of the State of California for the work to be performed. The cost for any required licenses and/or permits shall be the responsibility of the successful Proposer. The successful Proposer is liable for any and all taxes due as a result of the contract.

RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS

The Proposer's products, services, and facilities shall be in full compliance with all applicable Federal, State, and local regulations, standards, and ordinances, regardless of whether or not they are referred to in the RFP.

CONFIDENTIALITY AND PUBLIC RECORD

All Proposers are hereby put on notice that each proposal received shall become the exclusive property of the City and, unless the City's prior written agreement to maintain all or part of a proposal confidential as a trade secret is first obtained, each proposal shall be subject to disclosure pursuant to the California Public Records Act and/or the Federal Freedom of Information Act. The City shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof absent such agreement; nor shall such agreement preclude the City from disclosing any proposal or portion thereof where such disclosure is required by law.

JOINT OFFERS

Where two or more Proposers desire to submit in response to this RFP, they shall do so on a prime-sub Contractor basis rather than as a joint venture. The City intends to contract with a single firm and not with multiple firms doing business as a joint venture. Any proposal submitted on behalf of any form of joint venture or partnership between two (2) existing Proposers may be considered collusive and may be rejected as non-responsive.

COMPANY PERSONNEL

It shall be the burden of the successful Proposer to ensure all personnel possesses qualifications and/or experience. All personnel required in performing the services herein shall be secured at the expense of the successful Proposer. Personnel shall not be employees of or have any contractual relationship with the City. Successful Proposer's personnel shall conduct themselves in a professional manner to all City employees at all times. Rude or discourteous behavior by the successful Proposer will not be tolerated and the offense can be justification for termination of contract. All sub-Contractors of successful Proposer shall abide by all the requirements set forth in this section.

SINGLE PROPOSAL RESPONSE

If only one proposal is received in response to this RFP, a detailed cost/price proposal may be requested of the Proposer. A cost or cost and price analysis and evaluation and/or audit of the cost may be performed in order to determine if the price is fair and reasonable. If the City determines a cost analysis is required, Proposer must be prepared to provide, upon request, cost summaries of estimated costs (i.e. labor, equipment, supplies, overhead costs, etc.) and documentation supporting all cost elements.

PROTEST PROCEDURES

All protests must be filed in accordance with the following:

1. The protest must be in writing and identify the solicitation (RFP) number.
2. The protest must be submitted by some return receipt method or guarantee of delivery that insures that the protest was received in a timely manner. The City is not responsible for lost or delayed deliverables.
3. The party's standing to protest must be identified.
4. Identification of the specific provision, law, regulation, specification, procedure, or policy violated.
5. A statement of the relief requested.

Protests related to the content of the RFP shall be received no later than ten (10) days prior to the proposal due date; or within five (5) days after proposal opening. If the Protest does not comply with the preceding requirements it may not be evaluated and may be returned to the Protestor.

All protests shall be submitted to the contact person identified in this solicitation. If the solicitation is funded with Federal Transit Administration (FTA) monies, a protest may be filed with the FTA. However, the FTA only accepts protests alleging that a grantee failed to have written protest procedures or did not comply with those procedures or protests that involve a conflict of interest or fraud.

INCORPORATION OF PROPOSAL INTO AGREEMENT

This RFP and the Proposer's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall be binding and incorporated by reference in the City's contract with the successful Proposer.

TIME OF COMPLETION

The Contract time shall commence from the date on the Notice to Proceed (NTP) as authorized in writing by the City. The services shall be completed within the time period specified in the Request for Proposal. In case the services under the terms of these provisions and related professional contract shall be necessarily delayed because of strikes, injunctions, government controls, or by reasons of any cause or circumstances beyond the control of the CONTRACTOR, the time of completion shall be extended by a number of days to be determined in each instance by mutual agreement between CONTRACTOR and MBL.

PAYMENT

A separate invoice, referencing the respective purchase order number, shall be issued in duplicate for each invoice shown in the payment schedule, and addressed to:

City of Montebello
Attn: Accounts Payable
1600 West Beverly Boulevard
Montebello, California, 90640

Payment will be made within thirty (30) days after acceptance and approval of the invoice.

Payment Schedule: Monthly; provide one (1) invoice monthly.

CONTRACT DOCUMENTS: ORAL CHANGES / CONTRACT TERMINATION

Oral Changes: Oral changes and oral change orders are not permitted. All proposed changes must be submitted in writing to, and approved by, MBL prior to becoming a contract modification.

Contract Termination: MBL may terminate any resulting contract for convenience at any time by giving the successful contractor (hereinafter, the "Contractor" or "CONTRACTOR") written notice thereof. Upon termination, MBL shall pay the CONTRACTOR allowable cost incurred to date of termination, and those costs deemed reasonably necessary by MBL to effect such termination, determined in accordance with Part 1-8.705-1 of the Federal Procurement Regulations (41CFR 1-8) or other applicable portion(s) of said Regulations. In addition, MBL shall pay the CONTRACTOR a percentage of the project, which relates to contract work accomplished to date of termination. The effective date of termination shall be the date of Notice of Termination.

In the event the CONTRACTOR breaches the terms or violates the conditions of the contract, and does not within ten days, thereafter, cure such breach of violation, MBL may immediately terminate the contract for default. CONTRACTOR shall be liable for any and all costs incurred by MBL as a result of such default.

SCOPE OF CONTRACT

CONTRACTOR shall provide all services necessary as per the SOW described in this Request for Proposal.

PERFORMANCE OF WORK

It is the intent of these specifications to provide only services of the highest quality. The cost to be quoted and submitted shall include all items of service and any other costs necessary to fully complete the work pursuant to the provisions. It is the aim of these specifications that the CONTRACTOR provides complete services of the type prescribed. Any items omitted from such specifications which are clearly necessary for the completion of such services shall be considered a portion of such services, although not directly specified or called for in these specifications. No advantage shall be taken by the CONTRACTOR in the omission of any detail which goes to make the services complete, even though such detail is not mentioned in these specifications.

ACCESS TO SITE

The Contractor shall have limited use of the project site for installation operations during the installation period. The use of the site will be limited to the work area. The Contractor shall not disturb other areas of the site without the City's approval.

Driveways, Walkways, and Entrances: Keep entry driveways and personnel entrances serving premises clear and available to the City and emergency vehicles at all times. Maintain access to existing walkways, corridors,

and other adjacent occupied or used facilities. Do not close or obstruct walkways, corridors, or other occupied or used facilities without written permission from the City's Project Manager (PM) or their designee.

MBL will occupy the facility during the entire installation period. Cooperate with the City's PM or their designee during installation operations to minimize interference with MBL's business operations.

PREPARATION

Provide temporary barricades and other protection required to prevent injury to people and damage to adjacent buildings and facilities to remain. Provide and maintain shoring, bracing, and structural supports as required to preserve stability and prevent movement, settlement, or collapse of construction and finishes to remain.

- Provide protection to ensure the safe passage of people around selective demolition areas and to and from occupied portions of the building.
- Protect walls, ceilings, floors, and other existing finish work that are to remain or that are exposed during selective demolition operations.

OWNERSHIP OF DATA

Any and all forms of data and other information generated by or used by the Contractor is the property of the City and shall not be used by the Contractor for any purpose whatsoever except to perform the requested services by the City.

AWARD OF CONTRACT

The agreement ("Agreement") resulting from this RFP will be awarded to the responsive and responsible Proposer whose proposal, conforming to the requirements of the RFP, is determined to be the most advantageous ("Best Value" as described in the Federal Transit Administration Circular 4220.1F) to the City, based on the Evaluation Criteria. No agreement shall exist until the City Council or the City Manager has awarded the Agreement and it has been mutually executed. The City reserves the right to:

(a) Accept all or any part of a proposal;
(b) Reject any or all proposals for any reason;
(c) Waive any informality or minor errors to the extent permitted by law;
(d) Award the Agreement as the interest of the City may require;
(e) Cancel the entire RFP; or
(f) Issue subsequent RFP's.

An Evaluation Committee comprised of MBL staff in accordance with the Proposal Evaluation Criteria set forth in Evaluation Criteria section of this RFP, will evaluate all the proposals. During the evaluation period, the City may interview some or all the proposing firms. Proposers should be aware; however, that award may be made without interviews or further discussions.

The City may negotiate contract terms with the selected Proposer prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously and, thereafter, to award a contract to the Proposer offering the most favorable terms to the City. However, negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain the most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

No agreement shall exist until the City Council or City Manager has awarded the Agreement and it has been mutually executed. The City reserves the right to reject any and all proposals for any reason, to waive any informality or minor errors as determined by the City in any proposal and to award the Agreement as the best

interests of the City may require. The award, if any, may be made by the City within ninety (90) calendar days after the opening of the proposals.

PROPOSALS EVALUATION

Selection criteria include such price and qualitative considerations as qualifications and experiences of Contractor, subcontractor, and proposed project personnel; technical approach and design; management plan (e.g., personnel, workload, timeline, etc.); and past performance record. The award selection is based upon consideration of a combination of technical and price factors to determine the offer deemed most advantageous and of the greatest value to the City.

An Evaluation Committee comprised of City staff will evaluate all proposals in accordance with the proposal Evaluation Criteria set forth in this RFP. Interviews with the highest-ranked firms may or may not be requested by the City. Selection may be made strictly from the information provided in the Proposal. However, the City reserves the right to conduct interviews with and request presentations from any, all, or some respondents.

On the completion of the initial Pass/Fail review, the committee will evaluate proposals using the two-step process. Technical proposals will be reviewed and scored first without consideration for price. The committee will then open the cost and price proposals and evaluate and score them accordingly. During the technical evaluation, the committee, at its sole discretion may contact any or all the Proposers with specific questions or requests for clarification. After both the technical and cost/price proposals have been evaluated and scored, the committee will arrive at a "comprehensive proposal score" for each proposal. A list of top-ranked proposals within a competitive range will be developed based upon the total comprehensive scores provided by committee members. At this time, the committee may decide that the evaluation process is complete and submit a final recommendation to the Director of Transportation.

If the committee determined it to be necessary, it may then conduct interviews and negotiations with short-listed Proposers. As no other interview dates are available, Proposers who are unable to attend their interview as scheduled may be eliminated from further participation. The interview may consist of a short presentation by the Proposer after which MBL may ask questions and/or request clarification related to any element of a proposal and its qualifications. MBL may also enter negotiations with the Proposer.

At the conclusion of interviews and negotiations, the evaluation committee may choose to proceed using one of the following processes:

- The committee may find it necessary to re-score the proposals in light of information gained during the interviews and negotiations process. The proposals will be scored in the same manner as the original proposals.
- The committee may ask the Proposers to consider the dialog of negotiations and revise their proposals. A deadline will be set for submission of the revised proposals. If a Proposer is unable to meet the deadline or chooses not to revise its proposal, its existing proposal will be rescored along with revised proposals in the same manner as the original proposals.
- Proposers remaining within the competitive range may be asked to submit a Best and Final Offer (BAFO). In the BAFO request, the Proposers may be asked to provide additional information, confirm or clarify issues and submit a final cost/price offer. A deadline for submission will be stipulated. The BAFO's will be scored in the same manner as the original proposals.
- After the BAFO's are evaluated and scored, the evaluation committee may recommend a proposal with the highest final ranking or a short list of top ranked proposals within the competitive range whose offers(s) are the most advantageous to MBL.

MBL will evaluate the offers based on the following criteria: Pass/Fail Criteria

- Proposer has demonstrated at least 5 years of related services experience. (P/F)

- Proposer has demonstrated previous experience working for or with public agencies, transit entities, or corporations on related project. (P/F)

If the Proposer does not meet any of the criteria mentioned above, their proposal may not be considered for evaluation.

All proposals submitted may be subject to clarifications and further negotiation. All agreements resulting from negotiations that differ from what is represented within the RFP or in the respondent's response shall be documented and included as part of the final contract agreement.

POINT OF CONTACT

This RFP is issued by the City, and the Senior Procurement Analyst will be the sole point of contact ("Point of Contact") during the RFP submission and procurement process. Communications initiated by respondents to this RFP with members of the City Council, or officers, personnel or employees of the City, other than as coordinated by the Point of Contact, may be grounds for disqualification. Any inquiries or requests during this submission or procurement process shall be submitted in writing to the following Point of Contact:

City of Montebello, Transportation Department	
Name:	Rohan Anderson
Title:	Senior Procurement Analyst
Address:	400 S. Taylor Ave., Montebello, CA 90640
Telephone:	(323) 558-1625 ext.104
E-mail:	randerson@cityofmontebello.com

If the Point of Contact determines a response to any such inquiry is warranted, said response will be issued to all prospective Proposers via PlanetBids.com

EVALUATION CRITERIA

Award will be made to the Offeror whose proposal offers the best value to the City. Proposals that meet the pass/ fail criteria now will be evaluated in accordance with the following criteria:

QUALITATIVE AND QUANTITATIVE CONSIDERATIONS

Proposers' proposals will be evaluated based on the basis of the following qualitative and quantitative factors with the weighted value set forth below:

#	Categories	Weighted Points (Pts)
1	**Project Management Plan** The proposal shall contain a detailed explanation of the project and not a reiteration of the RFP itself. The information offered should be a compendium of the Proposer's knowledge of the standards outlined in the SOW.	10 pts
2	**Proposed Project Team** Qualifications and experience of management and staff and other personnel, comprehensiveness of plan, and team's familiarity with the requested provision services.	20 pts
3	**Firm Qualifications and Experience** Demonstrate experience completing related projects of the same or similar magnitude. Present a catalog of experience and expertise most advantageous to the City.	15 pts
4	**Technical Approach** Understanding of the RFP requirements and illustrating the ability to meet performance objectives, compliance with all technical and administrative requirements, financial viability, accounting, and reporting.	25 pts
5	**Price** The Proposer's Price Proposal will be compared to the Proposal with the Best Value to the City. The best value responsive price will receive the total weighted value for this criterion.	30 pts
	TOTAL	100 pts

The best value responsive price will receive the total weighted score for the price (30 pts).

All other price proposals will be scored as follows:

Final Price Proposal Score = Proposal Price Rating x Weighted Points

SECTION 3 – QUALIFICATIONS

The Contractor may be required to present proof of satisfactorily completed projects and products of similar work completed for past client companies, organizations, or municipalities that display good standing status without claims or pending claims against such work.

MINIMUM NECESSARY QUALIFICATIONS

The following are the minimum necessary qualifications to provide services:

- List and describe a minimum of three (3) projects or experiences, similar in nature to the Project contemplated in this RFP, which the Proposer is currently performing or has performed within the last thirty-six (36) months.
- Within the past five (5) years, have not declared bankruptcy and/or defaulted on a contractor; Within the past three (3) years, have been placed in receivership and/or denied credit.
- Within the past five (5) years, have not assessed any penalties for non-compliance with any federal, state, local, city, or county labor laws and/or regulations.
- Currently not under investigation for any charge and/or claim for noncompliance with any federal, state, local, city, or county labor laws and/or regulations, including without limitation prevailing wage laws and apprenticeship laws.
- Licensed to do business in the State of California.
- Certifications and Licenses (if required)
- Experience with agencies and projects of similar size and scope.
- Financial Capacity.

SECTION 4 – SCOPE OF WORK

PROJECT OVERVIEW

The project objective is to remove, dispose, and replace existing hose reels, as well as associated components (e.g., meters, water bibs, grease guns, jumper hoses, nozzles, etc.), with high performance and dual pedestal framed hose reels designed for heavy-duty jobs that require high-frequency use, extra strength, and durability. All couplers, meters, and nozzles must match or be retrofitted with MBL's current tools and dispensed fluids. The hose reel system must be bled and tested before being placed into service.

The Contractor must provide a complete asset list describing at a minimum the hose reels' identification number, fluid type, location, and color. Each hose reel must be labeled with reflective outdoor vinyl labels for easy identification from the ground view. Additional hose reels may be acquired should the need be identified following the Contractor's assessment of the existing hose reel system.

The project site includes three locations: Chassis Wash, Corporate Shop, and Fueling Station.

I. CHASSIS WASH	II. CORPORATE SHOP	III. FUELING STATION
• One (1) Air Hose Reel	• Thirteen (13) Air Hose Reel • Six (6) Coolant Hose Reel • Six (6) Grease Hose Reel • Twenty (20) Oil Hose Reel	• Three (3) Air Hose Reel • Two (2) Coolant Hose Reel • Four (4) Oil Hose Reel

The Contractor shall keep the premises and surrounding area free from the accumulation of waste materials or rubbish caused by operations under the agreement. At completion of the SOW, the Contractor shall remove and clean up all byproducts, debris, and rubbish caused by the operations under the agreement. If Contractor fails to clean up, the City may do so, and the cost thereof shall be charged to Contractor.

REELS SPECIFICATION

The equipment must be approved equal to the following Graco XD Series specifications:

- **AIR HOSE REELS**
  - Graco XD Series Size 20, Red Color Finish
  - 3/8" x 50' Hose
- **COOLANT HOSE REELS**
  - Graco XD Series Size 20, Yellow Color Finish
  - 3/8" x 50' Hose
- **GREASE HOSE REELS**
  - Graco XD Series Size 20, Yellow Color Finish
  - 3/8" x 50' Hose
- **OIL HOSE REELS**
  - Graco XD Series Size 20, Yellow Color Finish
  - 3/8" x 50' Hose
- **GREASE GUNS**
  - Graco Grease Gun
  - Graco Z Swivel and Alemite 6509-E Tip Swivel
  - Graco 24" Whip Hose and Coupler
- **METERS**
  - Graco Mechanical Quarts Meters
  - Flex Hose with Non-drip Tips
- **WATER BIBS**
  - Water Dispensing Bibs with Rubber Tips

TESTING

Following installation, the Contractor shall perform an acceptance test as recommended by the manufacturer. A test outline shall be provided to the MBL for approval prior to performing the test. The test program shall show that the equipment meets all of the conditions described by the specification and that the equipment will perform as intended.

WARRANTY

A. Upon completion of the installation, the awarded Contractor shall provide a three (3) year warranty repairs against manufacturing defects in materials, function, and workmanship.
B. Warranty repairs shall include materials, freight of any kind, travel expenses, mileage, labor, and any other related expenses necessary to correct defects.
C. In the event of a failure of the hose reels during the warranty period, the Contractor will be required to repair the hose reels within 10 days of notification.

SECTION 5 – FORM OF CONTRACT (SAMPLE)

PROFESSIONAL SERVICES AGREEMENT FOR
MAINTENANCE HOSE REELS REPLACEMENT

THIS AGREEMENT ("Agreement") is made and entered into on ……., 2022, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and …….. (Hereinafter referred to as "CONTRACTOR"). CITY and CONTRACTOR are sometimes referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, CITY desires to retain a qualified professional contractor to replace and install the Maintenance Hose Reels ("Project"); and

WHEREAS, CONTRACTOR represents the degree of specialized expertise contemplated within California Government Code, Section 37103, and is qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

WHEREAS, CONTRACTOR responded to CITY's Request for Proposal dated September 29, 2022 (RFP No. [23-2]), as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Contractor Proposal").

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

A. CONTRACTOR shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONTRACTOR shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

C. CONTRACTOR shall be compensated a sum not-to-exceed $……(the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONTRACTOR shall provide an itemized billing statement to CITY each month for Professional Services performed. CONTRACTOR shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

D. CITY will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONTRACTOR within thirty (30) days of the date of such invoice.

E. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

F. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONTRACTOR's discretion.

SECTION 2. TERM.

This Agreement shall commence on ……, 2022 , and shall terminate upon completion of the Scope of Services set forth herein, unless terminated sooner as provided in Section 8 herein.

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. CONTRACT DOCUMENTS.

For purpose of this Agreement, the contract documents for the aforesaid Project shall consist of (and are outlined in the following order of preference):

A. RFP No. 23-2;
B. Proposer's [DATE] Proposal for Transit Relocation Feasibility Analysis and all referenced specifications, details, and appendices (**Exhibit "A" – "C"**);
C. All required bonds, insurance certificates, permits, notices, schedules, forms, certifications and affidavits; and
D. Any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

All of the provisions of said Contract Documents constitute a material part hereof and shall be hereby incorporated by reference as though fully set forth herein.

SECTION 4. PERFORMANCE.

A. CONTRACTOR shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.

B. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONTRACTOR hereunder, in meeting its obligations under this Agreement.

C. CONTRACTOR shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONTRACTOR shall have the right to retain, subject to CITY's written approval, additional individuals, Contractors, or sub-Contractors to assist in the completion of services as herein defined. Compensation for additional individuals, Contractors, or sub-Contractors shall be the sole and

exclusive responsibility of the CONTRACTOR.

E. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years unless otherwise provided for in Exhibit "A." Upon CITY providing twenty-four (24) hours advanced prior notice, CONTRACTOR shall make all records, invoices, time cards, cost control sheets and other records maintained by CONTRACTOR in connection with this Agreement available during CONTRACTOR regular working hours to CITY for review and audit by CITY.

F. All reports, documents, or other written material developed by CONTRACTOR in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such material shall not be the subject of a copyright application by CONTRACTOR. Any alteration or reuse by CITY of any such materials on any project other than the Project shall be at CITY's sole risk unless CITY compensates CONTRACTOR for such reuse.

SECTION 5. WORK PRODUCT.

A. All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

B. Documents are provided in CONTRACTOR's standard software formats. CITY recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CITY's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CITY agrees to defend indemnify and hold CONTRACTOR, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONTRACTOR be liable for any loss of use, profit or any other damage.

SECTION 6. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONTRACTOR under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Manager ("City Manager").

SECTION 7. CITY SUPERVISION.

The Transportation Director shall have the right of general supervision of all work performed by CONTRACTOR and shall be CITY's agent with respect to obtaining CONTRACTOR's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 8. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written

notice of the default, the nature of the default, and of the steps necessary to cure the default.

A. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by CONTRACTOR which cannot be corrected within ten (10) days, said contract shall at the option of CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by CONTRACTOR, CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of CONTRACTOR. CONTRACTOR and his sureties shall be liable to CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONTRACTOR shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONTRACTOR at least five (5) business days before the termination is to be effective. Upon the termination of this Agreement as provided herein, CITY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONTRACTOR shall be reimbursed for any "non-refundable" costs that CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non- refundable" costs were incurred by CONTRACTOR prior to the date of termination; (2) that CONTRACTOR provides CITY with adequate proof that CONTRACTOR incurred the costs, and is unable to be seek a refund for such costs; and (3) such costs were within the SOW or services to be performed under this Agreement. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONTRACTOR for its performance of services under this Agreement. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONTRACTOR during the Term of this Agreement.

SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.

SECTION 11. INDEPENDENT CONTRACTOR.

A. CONTRACTOR is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONTRACTOR except as expressly set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONTRACTOR for performance hereunder for CITY. CITY shall not be liable for compensation to CONTRACTOR, CONTRACTOR's employees or CONTRACTOR's sub-Contractor for

injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONTRACTOR any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONTRACTOR. CITY shall have no responsibility to provide CONTRACTOR, its employees or sub-Contractor with workers' compensation insurance or any other insurance.

SECTION 12. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONTRACTOR or any employee, agent, or sub-Contractor of CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or sub-Contractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and sub-Contractor providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 13. LEGAL RESPONSIBILITIES.

CONTRACTOR shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONTRACTOR to comply with this section.

SECTION 14. INDEMNIFICATION.

CONTRACTOR agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONTRACTOR's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 15. INSURANCE COVERAGE.

During the Term of this Agreement, CONTRACTOR shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONTRACTOR's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

Commercial General Liability (CGL): Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

Business Automobile Liability Insurance: For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

Worker's Compensation insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONTRACTOR agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONTRACTOR for CITY and to require each of its sub-Contractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONTRACTOR further certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.

If applicable, Professional Errors and Omissions (E&O) Liability insurance appropriate to the CONTRACTOR's profession, with limit no less than **Two Million Dollars and Zero Cents** ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONTRACTOR shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONTRACTOR shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONTRACTOR maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its sub-Contractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least a: VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONTRACTOR's expense, the premium thereon.

At all times during the Term of this Agreement, CONTRACTOR shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONTRACTOR shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONTRACTOR shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

Except for professional liability and workers' compensation policies, the policies herein are primary and non-contributing with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONTRACTOR, and CONTRACTOR's employees, agents or sub-Contractor, from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against CITY. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONTRACTOR shall not be construed as a limitation of CONTRACTOR's liability or as fall performance of CONTRACTOR's duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONTRACTOR to comply with this section.

SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-Contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

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

SECTION 17. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 19. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 20. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 21. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

D. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 22. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY MANAGER
City of Montebello
1600 West Beverly Boulevard
Montebello, California 90640

CONTRACTOR
_____
_____
_____
_____

SECTION 23. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-Contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-Contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 24. CONFLICT OF INTEREST.

CONTRACTOR and its officers, employees, associates and sub-Contractor, if any, shall comply with all California conflict of interest statutes applicable to Contractor's Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONTRACTOR. CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between CITY and CONTRACTOR. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO	**CONTRACTOR**
René Bobadilla City Manager	Name and Title
Dated:	Dated:

ATTEST:

Christopher Jimenez
City Clerk

APPROVED AS TO FORM

Arnold M. Alvarez-Glasman
City Attorney

SECTION 6 – EXHIBITS

EXHIBIT A

PROPOSAL SUBMISSION CHECK LIST

		Description	Section	Proposer Initials
1	☐	Proposal Submission Check List	EXHIBIT A	
2	☐	Proposal	SECTION 1	
3	☐	Letter of Transmittal	EXHIBIT B	
4	☐	Certificates, Licenses, Permits, and Registrations	EXHIBIT C	
5	☐	Indemnification and Hold Harmless Agreement and Waiver of Subrogation and Contribution	EXHIBIT D	
6	☐	References	EXHIBIT E	
7	☐	Project Portfolio References	SECTION 3	
8	☐	Insurance	EXHIBIT F	
9	☐	Cost Proposal	EXHIBIT G	
10	☐	Statement of Disadvantaged Business Enterprise Participation	EXHIBIT H	
11	☐	Bidder's List of Subcontractor (DBE and Non-DBE)	EXHIBIT I	
12	☐	Debarment and Suspension Certification	EXHIBIT J	
13	☐	Performance Bond	EXHIBIT K	
Optional Items				
14	☐	Requests for Exceptions or Deviations	SECTION 1	

NAME & JOB TITLE	
BUSINESS NAME	
ADDRESS	
CITY, STATE, ZIP CODE	
PHONE NUMBER	
EMAIL ADDRESS	
AUTHORIZED SIGNATURE	DATE

EXHIBIT B

LETTER OF TRANSMITTAL

CITY OF MONTEBELLO

Transportation Department

SUBJECT: REQUEST FOR PROPOSAL (RFP) NO. 23-2

MAINTENANCE HOSE REELS REPLACEMENT

In response to the subject Request for Proposal (RFP) and in accordance with the accompanying Instructions to Proposers, the Proposer hereby commits to the City of Montebello to perform the work in accordance with the provisions in the Proposal Level Contract Documents and any addenda thereto and at the prices stated in the Revenue Price Sheet, which will be included and made a part of any subsequent Contract.

The Proposer agrees that the proposal constitutes a firm offer that cannot be withdrawn for ninety (90) calendar days from the proposal opening or until the Contract for the work is fully executed between the City and a third party, whichever is earlier.

If awarded a contract, the Proposer agrees to execute the Agreement and deliver it to the City of Montebello within seven (7) calendar days after receiving a Letter of Award together with the necessary certificates of insurance and any applicable performance or payment bonds. The Contractor shall proceed with the work upon receipt of a Notice to Proceed.

The Proposer certifies that it has:

1. Examined and is fully familiar with all the provisions of the RFP Documents and any addenda thereto:
2. Satisfied itself as to the requirements of the Contract, the nature and location of the work, the general and local conditions to be encountered in the performance of the work, and all other matters that can in any way affect the Work and/or the cost thereof.
3. Examined the experience, skill, and certification requirements in Scope of Services and that the entities performing the work can fulfill the specified requirements; and
4. Carefully review the accuracy of all statements and figures shown in the proposal and attachment hereto.

Therefore, the undersigned hereby agrees that the City of Montebello will not be responsible for any errors or omissions in the proposal.

The Proposer further certifies that:

1. The only persons, firms, corporations, joint ventures/partnerships, and/or other parties interested in the proposal as principals are those listed as such in the Proposal Forms and that,
2. The proposal has been prepared without collusion with any other person, firm, corporation, joint venture/partnership, and/or other party.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Proposal Documents:

Addenda No(s)

Dated _____ Dated _____

Dated _____ Dated _____

Dated _____ Dated _____

Failure to acknowledge receipt of all addenda may cause the proposal to be considered non-responsive to the solicitation. Acknowledged receipt of each addendum must be clearly established and included with the Proposal /offer.

Proposer's Name: _____

Business Address: _____

Contact Person: _____

Phone: _____

Email Address: _____

Signature of Authorized Official	Signature of Authorized Official
Typed or Printed Name	Typed or Printed Name
Title	Title
Date	Date

(Joint ventures/partnerships are to provide a signed copy of their agreement with their proposal.)

_____ _____

For proposals requiring licenses the following information is required:

Contractor's License No. _____

Expiration Date: _____

License Classification: _____

EXHIBIT C

CERTIFICATES, LICENSES, PERMITS, AND REGISTRATIONS

EXHIBIT D

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT AND WAIVER OF SUBROGATION AND CONTRIBUTION

Contract/Agreement/License/Permit No. or description: Maintenance Hose Reels Replacement

Indemnitor(s): _____

(List all names)

To the fullest extent permitted by law, Indemnitor hereby agrees, at its sole cost and expense, to protect, indemnify, and hold harmless the City of Montebello and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, and assigns (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith (collectively "Liabilities"), resulting from any wrongful or negligent act, failure to act, error, or omission of Indemnitor or any of its officers, agents, servants, employees, subcontractors, material men, suppliers or their officers, agents, servants or employees, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to the above-referenced contract, agreement, license, or permit (the "Agreement") or the performance or failure to perform any term, provision, covenant, or condition of the Agreement, including this indemnity provision. This indemnity provision is effective regardless of any prior, concurrent, or subsequent passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against the Indemnitor shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision. Indemnitor shall pay Indemnitees for any attorney's fees and costs incurred in enforcing this indemnification provision. Notwithstanding the foregoing, nothing in this instrument shall be construed to encompass (a) Indemnitees' active negligence or willful misconduct to the limited extent that the underlying Agreement is subject to Civil Code § 2782(a), or (b) the contracting public agency's active negligence to the limited extent that the underlying Agreement is subject to Civil Code § 2782(b). This indemnity is effective without reference to the existence or applicability of any insurance coverages which may have been required under the Agreement or any additional insured endorsements which may extend to Indemnitees.

City agrees to promptly inform Indemnitor in writing of any claim that City believes to be subject to this Indemnification and Hold Harmless Agreement.

Indemnitor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf of the Indemnitor regardless of any prior, concurrent, or subsequent non-active negligence by the Indemnitees.

In the event there is more than one person or entity named in the Agreement as an Indemnitor, then all obligations, liabilities, covenants and conditions under this instrument shall be joint and several.

"Indemnitor"

Name:	_____	**Name:**	_____
	(Print)		*(Print)*
By:	_____	**By:**	_____
	(Signature)		*(Signature)*
Title:	_____	**Title:**	_____
Date:	_____	**Date:**	_____

EXHIBIT E

REFERENCES

List at Least Three (3) Professional References:

1	Project City/Agency/Other:		
	Person of Contact:		
	Phone Number:		
	E-mail Address:		
	Address:		
	City, State, Zip Code:		
	Description of Contract (Please include contract value, award date, term of contract, and description of work)**:**	Contract Value:	$
		Award Date:	
		Term of Contract:	
		Description of Work:	
2	Project City/Agency/Other:		
	Person of Contact:		
	Phone Number:		
	E-mail Address:		
	Address:		
	City, State, Zip Code:		
	Description of Contract (Please include contract value, award date, term of contract, and description of work)**:**	Contract Value:	$
		Award Date:	
		Term of Contract:	
		Description of Work:	
3	Project City/Agency/Other:		
	Person of Contact:		
	Phone Number:		
	E-mail Address:		
	Address:		
	City, State, Zip Code:		
	Description of Contract (Please include contract value, award date, term of contract, and description of work)**:**	Contract Value:	$
		Award Date:	
		Term of Contract:	
		Description of Work:	

EXHIBIT F

INSURANCE

The proposal shall include a statement that the insurance requirements set forth in the contract documents can be obtained and will be carried without reservation or exclusion should Proposer be awarded a contract pursuant to this RFP.

Successful Proposer shall at all times during the term of the awarded Agreement, carry, maintain, and keep in force and effect, with an insurance company admitted doing business in California, rated “A” or better in the most recent A.M. Best’s Insurance Rating Guide, and approved by the CITY, a policy, or policies of:

A. Commercial General Liability Insurance using Insurance Services Office Commercial General Liability form CG 00 O1 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits shall be no less than $1,000,000 per occurrence for all covered losses and no less than $2,000,000 general aggregate.

B. Business Auto Coverage on ISO Business Auto Coverage form CA 00 O1 including symbol 1 (Any Auto) or the exact equivalent. Limits shall be no less than $1,000,000 per accident, combined single limit. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described in the preceding subsection. If Contractor or Contractor’s employees will use personal autos in any way on this project, Contractor shall provide evidence of personal auto liability coverage for each such person.

C. Workers' Compensation insurance on a state approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident for all covered losses.

D. Where applicable, Professional Liability or Errors and Omissions Insurance as appropriate to the profession, written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Contractor and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be not less than $1,000,000 per claim and in the aggregate. The policy must "pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement. City, its officers, employees, attorneys, and designated volunteers shall be named as additional insured on the policy, or policies, as to commercial general liability bodily injury and property damage coverages and automobile coverages with respect to liability arising out of successful Proposer’s work under this Agreement.

E. All insurance policies shall provide that the insurance coverage shall not be non-renewed, canceled, reduced, or otherwise modified (except through the addition of additional insureds to the policy) by the insurance carrier without the insurance carrier giving the City thirty (30) days' prior written notice thereof. Any such thirty (30) day notice shall be submitted to City via certified mail, return receipt requested, addressed to "Risk Manager," City of Montebello, 1600 West Beverly Boulevard, Montebello, California, 90640. Contractor agrees that it will not cancel, reduce, or otherwise modify said insurance coverage.

F. Contractor shall submit to City (i) insurance certificates indicating compliance with the minimum worker's compensation insurance requirements above, and (ii) insurance policy endorsements indicating compliance with all other minimum insurance requirements above, not less than one (1) day prior to the beginning of performance under this Agreement. Endorsements shall be executed on City's appropriate standard forms entitled "Additional Insured Endorsement".

EXHIBIT G

COST PROPOSAL SHEET

In accordance with the Request for Proposal issued by the City of Montebello (hereinafter referred to as Contractor/Proposer), the undersigned proposing company hereby agrees to furnish all necessary labor, materials and incidentals required for the above stated contract as set forth in the Scope of Work and any addenda thereto, and to perform all work in the manner and time prescribed therein.

REQUIRED ITEMS		UNIT		
		QTY.	**COST**	**SUBTOTAL**
ITEM 1	Air Hose Reels Kit		$	$
ITEM 2	Coolant Hose Reels Kit		$	$
ITEM 3	Grease Hose Reels Kit		$	$
ITEM 4	Oil Hose Reels Kit		$	$
ITEM 5	Mechanical Meters Kits		$	$
ITEM 6	Grease Guns Kits		$	$
ITEM 7	Water Bibs Kits		$	$
ITEM 8	Labor (Assessment, removal, disposal, installation, and testing)		$	$
ADDITIONAL ITEMS (Describe in detail of additional items offered)				
ITEM 9				$
			TOTAL FIRM-FIXED PRICE	$

CONTACT INFORMATION:

NAME & JOB TITLE	
BUSINESS NAME	
ADDRESS	
CITY, STATE, ZIP CODE	
PHONE NUMBER	
EMAIL ADDRESS	
AUTHORIZED SIGNATURE	DATE

EXHIBIT H

STATEMENT OF DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

This proposal provides for the following Disadvantaged Business Enterprise participation:

Disadvantaged Business Enterprise

_____
Firm Name

_____
Address

_____
Phone Number

_____
Type of Business

Currently DBE Certified? **YES*** ☐ **NO** ☐

*(If **YES**, attach a copy of the current *Letter of Certification* and *Statement of Personal Net Worth*.)

Total _____

% of Total Contract _____

Signature _____ **Date** _____

EXHIBIT I

BIDDER'S LIST OF SUBCONTRACTOR (DBE AND NON-DBE)

Part I

The bidder shall list all subcontractors (both DBE and non-DBE) in accordance with Section 2-1.054 the Standard Specification and per Title 49, Section 26.11 of the Code of Federal Regulations. This listing is required in addition to listing DBE Subcontractors elsewhere in the proposal. Photocopy this form for additional firms.

Firm Name/ Address/ City, State, ZIP	**Phone/ Fax**	**Annual Gross Receipts**	**Description of Portion of Work to be Performed**	**Local Agency Use Only (Certified DBE?)**
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)

Part II

The bidder shall list all subcontractors who provided a quote or bid but were not selected to participate as a subcontractor on this project. This is required for compliance with Title 49, Section 26 of the Code of Federal Regulations. Photocopy this form for additional firms.

Firm Name/ Address/ City, State, ZIP	Phone/ Fax	Annual Gross Receipts	Description of Portion of Work to be Performed	Local Agency Use Only (Certified DBE?)
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	Phone	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		If YES list DBE #:
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)

EXHIBIT J

DEBARMENT AND SUSPENSION CERTIFICATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

The _____ certifies to the best of it's
(Firm Name/ Principle)

knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency:
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause of default.

If unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.

THE PRIMARY PARTICIPANT _____ CERTIFIES
(Firm Name/ Principle)

OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET SEQ. ARE APPLICABLE THERETO.

_____ _____
Signature of Authorized Official **Title of Authorized Official**

The undersigned chief legal counsel for the _____ hereby certifies that

the _____ has authority under State and Local law to comply with the subject assurances that the certification above has been legally made.

_____ _____
Signature of Attorney **Date**

EXHIBIT K

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that

_____

(Insert full name and address and legal title of Contractor) as Principal, hereinafter called Contractor, and,

_____

(Insert full name and address or legal title of Surety)

as Surety, hereinafter called Authority, in the amount of $_____ for the payment whereof Contractor and Surety bind themselves, their heirs, executers, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated _____, 20____, entered into a contract with the City for Contract No. _____, which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the City.

Whenever Contractor shall be, and is declared by the City to be in default under the Contract, the City having performed City's obligations thereunder, the Surety may promptly remedy the default, or shall promptly

1. Complete the Contract in accordance with it terms and conditions, or
2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the City elects, upon determination by the City and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and the Authority, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by the City to Contractor under the Contract and any amendments thereto, less the amount properly paid by the City to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the RECIPIENT or the heirs, executors, administrators or successors of the City.

Signed and sealed this _____ day of 20____.

WITNESS PRINCIPLE

(SEAL)

_____

(TITLE)

_____

WITNESS SURETY

(SEAL)

_____

(TITLE)

_____

Attach hereto proof of authority of officers or agents to sign bond.

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ITEM # 10

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Adrianna Kendricks, Director of Transportation

SUBJECT: **ADOPT RESOLUTION NO. 22-74 TO APPROVE A TRANSIT ASSET MANAGEMENT PLAN FOR SUBMISSION TO THE FEDERAL TRANSIT ADMINISTRATION**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt Resolution No. 22-74 to approve a Transit Asset Management (TAM) plan for submission to the Federal Transit Administration (FTA); and

2) Take such additional, related, action that may be desirable.

FISCAL IMPACT:

The Transit Asset Management (TAM) plan is a business model that considers qualitative asset conditions, costs, performances, and risks over life cycles to prioritize funding to achieve and maintain capital assets in a State of Good Repair (SGR) – the condition in which assets are fit for the intended purposes. While the TAM plan establishes goals, objectives, and asset management policy, it does not commit the City of Montebello to any specific expenditures. All future procurement processes will be included in the City's Transportation Department's annual budget plan and identified in each fiscal year.

BACKGROUND:

On July 26, 2016, the Federal Transit Administration (FTA) published the TAM Final Rule

to define the term of SGR and to establish minimum Federal requirements for TAM that will apply to all recipients and sub-recipients of Title 49 United States Code Chapter 53 (49 U.S.C. 53) funds that own, operate, or manage public transportation capital assets. The TAM Final Rule developed a framework for transit agencies to monitor and manage public transportation assets, improve safety, increase reliability and performance, and establish performance measures to maintain and operate systems effectively and efficiently. To remain eligible for Federal funds, transit agencies are required to develop and implement TAM plans under the TAM Final Rule and 49 U.S.C 53.

TAM plans are required to be updated once every four (4) years. In accordance with the 2016 TAM Final Rule, the first compliant TAM plans were required by October 2018, and subsequent TAM plans are required by October 2022. The TAM plan cycle should coincide, to the extent possible, with the State and metropolitan planning cycle for the development of the State Transportation Improvement Program (STIP) and Transportation Improvement Program (TIP). In addition, transit agencies are required to annually submit an asset inventory, condition assessments, performance targets, and narrative reports to FTA's National Transit Database (NTD).

ENVIRONMENTAL IMPACT:

N/A

ANALYSIS:

The City operates Montebello Bus Lines (MBL) as a FTA-defined Tier II transit provider and recipient of 49 U.S.C. 53 funds that owns, operates, or manages public transportation capital assets with a fleet of 66 buses. In October 2018, MBL developed a TAM plan to comply with the TAM Final Rule and share with planning partners. Thereafter, MBL's updated TAM plan is required to be completed by October 2022. The updated TAM plan provided the opportunity for MBL to review the previous cycle and strategically plan for improvements such as data collection processes and aligning the plan with strategic priorities. In addition, the updated TAM plan enables MBL to remain compliant and incorporate any changes or updates to the existing documents or capital plans that occurred over the past four years.

In December 2018, the California Air Resources Board (CARB) adopted the Innovative Clean Transit (ICT) regulation that requires all public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet. The ICT regulation established ZEB purchase requirements that begin in 2023 for large transit agencies. In accordance to the ZEB purchase schedule, MBL intends to purchase two ZEBs in 2023 and adhere to the minimum 25% ratio of ZEB in total new bus purchases. The TAM plan provides strategic models to organize and prioritize MBL's capital assets and transition to an all ZEB fleet that aligns with the City's commitment to invest in innovative and sustainable technology.

In order to be in compliance with applicable regulations and remain eligible for federal transportation funds, the City is required to submit a TAM plan by October, 2022.

DISCUSSION:

N/A

SUMMARY:

Staff recommends the City Council adopt Resolution No. 22-74 to approve a Transit Asset Management Plan for submission to the Federal Transit Administration and direct staff to take such additional, related, action that may be desirable.

ATTACHMENT(S)

1. Attachment A - Transit Asset Management Plan 2022
2. Attachment B - Resolution No. 22-74

NEXT STEPS:

N/A



TRANSIT ASSET MANAGEMENT PLAN 2022

Prepared by

Department of Transportation

400 S. Taylor Ave

Montebello, CA 90640

TABLE OF CONTENTS

Introduction 2
Accountable Executive (Authority Acceptance) 2
Asset Management Policy 3
Goal and Objectives 3
Capital Asset Inventory 3
Performance Targets and Measures 3
Condition Assessment 4
Decision Support Tool and Investment Prioritization 5
Recordkeeping and Reporting 6
Appendix 6
Appendix A: Asset Inventory Summary 7
A1: Revenue Vehicle (Rolling Stock) Condition Data 7
A2: Equipment Condition Data 10
A3: Facilities Condition Data 12
Appendix B: Proposed Investment Project List 13
Appendix C: Fleet Replacement Schedule 15

INTRODUCTION

The City of Montebello (City) has provided transportation services since 1910, and established Montebello Bus Lines (MBL) as the City's official municipal bus system in 1931. Today, MBL serves 13 cities as the fourth-largest municipal bus system in Los Angeles County and operates as an FTA-defined Tier II provider in compliance with 49 CFR § 625.45 (b)(1). MBL's fleet consists of 66 buses comprised of compressed natural gas (CNG), battery-electric, and hybrid buses. Tier II providers identify as agencies that own, operate, or manage 100 or fewer revenue vehicles during peak regular service across all non-rail fixed route modes or in any non-fixed route mode; a sub-recipient under the 5311 Rural Area Formula Program; or any American Indian tribe.

Transit Asset Management (TAM) is a business model that considers qualitative asset conditions, costs, performances, and risks over life cycles to prioritize funding to achieve and maintain capital assets in a State of Good Repair (SGR) – the condition in which assets are fit for the intended purposes.

TAM Plan revisions shall be established with annual reporting through the FTA's National Transit Database (NTD) and approved by the Accountable Executive. Performance targets shall be monitored and submitted annually to the Account Executive for approval.

MBL's TAM Plan shall cover a four-year period from 2022-2026, initiated with the completion of the 2022 TAM Plan.

Accountable Executive (Authority Acceptance)

The account executive has the ultimate responsibility to designate and guide human capital and capital resources to develop, implement, and maintain MBL's Safety Management System (SMS) and TAM Plan, in accordance with 49 U.S.C. §5329(d) and 49 U.S.C. §5326. (49 C.F.R. Parts 625.5, 673.5).

_____ _____

Adrianna Kendricks,
Director of Transportation

Date

Asset Management Policy

MBL is committed to effectively managing and maintaining its capital assets in SGR to support safe, efficient, and reliable transportation services throughout the agency. MBL's policy promotes a culture that supports all levels of asset management business practices. The policy applies relevant data and adequate time management to support transparent and cost-effective decisions to ensure best practices for resource allocation, optimal asset performance, and asset preservation.

MBL intends to improve system safety and efficiency, reduce costs, select strategic investment decisions, and provide reliable transportation services through the guidance of the comprehensive TAM Plan. Aging infrastructure, limited funding sources, and evolving service demands challenge MBL to establish an appropriate and progressive asset management plan that optimizes new capital project investments and maximizes the lifespan of existing assets.

Goal and Objectives

Goals	Objectives
Provide infrastructure and tools to support data-driven asset management decisions	• Improve leadership and workforce asset management knowledge, skills, and abilities • Promote data quality preservation within the City's record management program and existing management software program
Establish and support an asset management culture, human capital, and talent management	• Attract and retain a high-quality workforce • Identify critical skill gaps to address appropriate workforce development and training strategies
Improve system reliability and performance	• Reduced the ratio of vehicles out of service to no more than 21 days
Maintain safe, affordable, and reliable public transportation services	• Implement a comprehensive and dependable asset inventory management system • Evaluate strategic and systematic best practices in procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage sustainable performance, risks, and life cycle costs

CAPITAL ASSET INVENTORY

Performance Targets and Measures

MBL practices the target-setting method as a standard for FTA performance measures to maintain consistency throughout the Fleet Management and Facilities Management Plans. The target-setting method is a strategic process that establishes target and performance goals to achieve and set target baseline standards.

An extensive asset service life analysis for each asset category redefined the methods developed to determine the assets' Useful Life Benchmark (ULB) – the expected lifecycle

or acceptable service use period of a capital asset for the agency's operating environment. ULB criteria are user-defined and account for an agency's unique operating environment (e.g., service frequency, weather, geography, etc.). MBL recognized and considered the assets' local operating environment, service area, historical maintenance record, manufacturer guidelines, and the FTA ULB guidelines to develop MBL's ULB.

Vehicle targets indicate the asset percentage that met or exceeded the ULB. Facility targets indicate the asset percentage rated below the ULB condition score. Sequentially, a lower percentage ratio is ideal to maintain the overall inventory assets in good standing. All relative targets are reflected below in **Tables 1** and **2**.

Table 1: Fleet Performance Targets

Rolling Stock – Revenue Vehicles				
Asset Category/Class	**μ UL**	**ULB**	**Target**	**Rationale**
Buses (BU)	10.5	12	57.6%	Targets are based on reasonable long-term expectations for SGR of revenue vehicles; Funding sources are federal.
Cutaway Buses (CB)	3	10	0%	
Equipment – Non-revenue Service Vehicles				
Asset Category/Class	**μ UL**	**ULB**	**Target**	**Rationale**
Automobile (AO)	8.11	4	100%	Targets are based on reasonable long-term expectations for SGR of non-revenue vehicles; Funding sources are non-federal.
Trucks and Other Rubber Tire Vehicles	17.6	14	60%	

**Units of measurement in years.*

Table 2: Facilities Performance Targets

Facilities			
Asset Category	**Condition Benchmark**	**Target**	**Rationale**
Facilities	3	75%	Targets are based on FTA's Transit Economic Requirement Model (TERM) Scale.

**Units of measurement in years.*
***Facility Condition Assessment prepared by Bureau Veritas on December 27, 2021. BV PROJECT #: 154090.21R000-001.244*

CONDITION ASSESSMENT

Revenue vehicles condition ratings are indicated in terms of asset percentages that are "at" or "past" the ULB based on the FTA Circular 9030.1E, CH.V, paragraph 11.a. Non-revenue vehicles are identified with a particular useful life based on the vehicle characteristics at the time of purchase.

Facilities and facility equipment conditions are determined with the FTA's Transit Economic Requirement Model (TERM). The TERM is based on a condition scale rating from (1.0) Poor to (5.0) Excellent. According to the FTA TAM Final Ruling, assets with a condition rating score of 3.0 and above are in a SGR. Assets with a condition rating score

of 2.9 and lower are not classified in a SGR and may require prioritization during capital programming to ensure safe, efficient, and reliable transportation service.

Table 3: FTA TERM Condition Assessment Scale

Condition	TERM Rating	Description
Excellent	4.8 - 5.0	No visible defects; new or near new condition; may still be under warranty if applicable.
Good	4.0 - 4.7	Good condition, but no longer new; may be slightly defective or deteriorated, but is overall functional.
Adequate	3.0 - 3.9	Moderately deteriorated or defective, but has not exceeded useful life.
Marginal	2.0 - 2.9	Defective or deteriorated; in need of replacement; exceeded useful life.
Poor	1.0 - 1.9	Critically damaged or in need of immediate repair; well past useful life.

DECISION SUPPORT TOOL AND INVESTMENT PRIORITIZATION

MBL applies analytical processes to determine priority investments to maintain SGR. Written policy manuals, short- and long-range planning, regular management meetings, continual departmental needs assessment, and City Council approval procedures all serve as a decision support tool for the investment prioritization process.

The following tools are utilized to make investment decisions:

Table 4: Decision Support Tools

<table>
<tr><th>Process/Tool</th><th>Brief Description</th></tr>
<tr><td>Asset Condition System</td><td>Condition assessment tool based on age or condition:
<table>
<tr><th>Rating</th><th>Useful Life Consumed</th></tr>
<tr><td>5</td><td>≤ 25%</td></tr>
<tr><td>4</td><td>= 26% - 50%</td></tr>
<tr><td>3</td><td>= 51% - 75%</td></tr>
<tr><td>2</td><td>= 76% - 100%</td></tr>
<tr><td>1</td><td>≥ 100%</td></tr>
</table>
*Units of measurement in years.</td></tr>
<tr><td>Asset Condition Inspection</td><td>Condition assessment tool based on technical inspection of subsystems:
Rolling Stock: HVAC, drive-train, electrical, engine, interior, suspension/steering, structure, etc.
Facility: substructure, shell, interiors, conveyance (elevators), plumbing, HVAC, fire protection, electrical, site, equipment (for administrative and maintenance facilities), fare collection, etc.</td></tr>
</table>

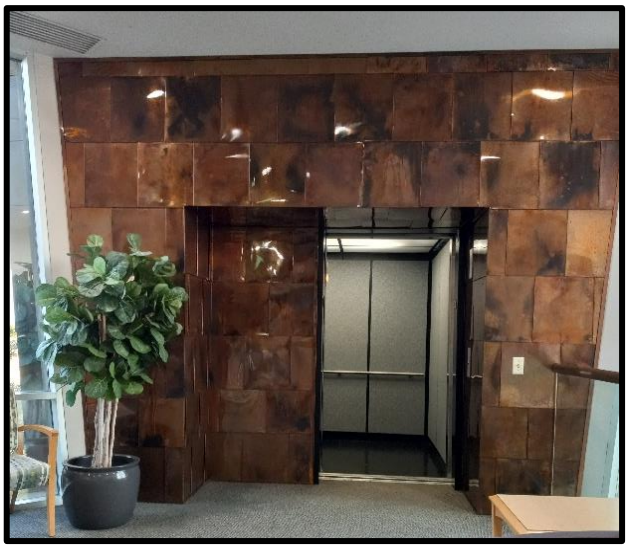


Figure 1 Transportation Facility Elevator

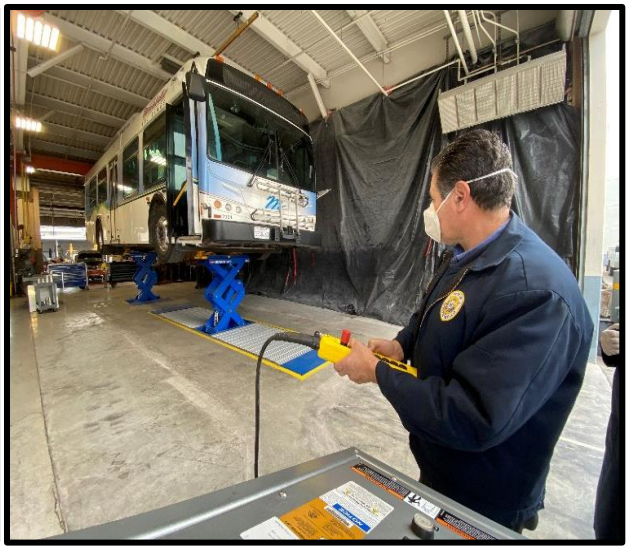


Figure 2 Maintenance Shop Bus Lift

MBL's asset management process includes optimizing the allocation of capital and operating funds based on the assessed inventory assets. This process supports the achievement and maintenance of a SGR. MBL budget funds for the planning, design, acquisition, capital maintenance, and rehabilitation of all assets subject to this TAM Plan.

The Proposed Investment Project List identifies proposed capital investment projects through 2026 (See "Appendix B").

RECORDKEEPING AND REPORTING

MBL maintains all supporting TAM Plan records and documents which are available to Federal, State, and Metropolitan Planning Organization's entities that provide funding and support to MBL. An annual report shall be submitted to the FTA's NTD:

- Asset inventory;
- SGR performance targets for the next fiscal year;
- Capital assets condition inspection assessment and performance measures;
- Narrative report to describe any condition change to MBL's transit system or operations from the previous year and the progress established during the reporting year to meet the performance targets sets in the previous reporting year.

APPENDIX

[APPENDIX ON NEXT PAGE]

Appendix A: Asset Inventory Summary

A1: Revenue Vehicle (Rolling Stock) Condition Data

#	Asset Category	Asset Class	Asset #	Count	ID/Serial No	Age (Years)	Vehicle Mileage (as of 06/06/22)	Replacement Cost/Value (as of 06/22)	Useful Life Benchmark (Years)	Passed Useful Life Benchmark
1	Revenue Vehicles	BU - BUS	2801	1	5FYU5FY108C033688	14	322,632	$ 1,358,358	12	Yes
2	Revenue Vehicles	BU - BUS	2802	1	5FYU5FY128C033689	14	388,573	$ 581,768	12	Yes
3	Revenue Vehicles	BU - BUS	2803	1	5FYU5FY198C033690	14	298,740	$ 1,358,358	12	Yes
4	Revenue Vehicles	BU - BUS	2804	1	5FYU5FY108C033691	14	511,416	$ 581,768	12	Yes
5	Revenue Vehicles	BU - BUS	2805	1	5FYU5FY128C033692	14	472,842	$ 620,000	12	Yes
6	Revenue Vehicles	BU - BUS	2806	1	5FYU5FY148C033693	14	432,945	$ 581,768	12	Yes
7	Revenue Vehicles	BU - BUS	2807	1	5FYU5FY168C033694	14	493,336	$ 581,768	12	Yes
8	Revenue Vehicles	BU - BUS	2808	1	5FYU5FY188C033695	14	437,649	$ 581,768	12	Yes
9	Revenue Vehicles	BU - BUS	2809	1	5FYU5FY1X8C033696	14	443,795	$ 581,768	12	Yes
10	Revenue Vehicles	BU - BUS	2810	1	5FYU5FY118C033697	14	466,543	$ 581,768	12	Yes
11	Revenue Vehicles	BU - BUS	2811	1	5FYU5FY138C033698	14	460,245	$ 581,768	12	Yes
12	Revenue Vehicles	BU - BUS	2812	1	5FYU5FY158C033699	14	392,295	$ 581,768	12	Yes
13	Revenue Vehicles	BU - BUS	2813	1	5FYU5FY188C033700	14	283,493	$ 1,358,358	12	Yes
14	Revenue Vehicles	BU - BUS	2815	1	5FYU5FY118C033702	14	472,977	$ 620,000	12	Yes
15	Revenue Vehicles	BU - BUS	2901	1	5FYU5KY199B036721	12	407,532	$ 620,000	12	Yes
16	Revenue Vehicles	BU - BUS	2902	1	5FYU5KY109B036722	12	416,394	$ 620,000	12	Yes
17	Revenue Vehicles	BU - BUS	2903	1	5FYU5KY129B036723	12	429,786	$ 620,000	12	Yes
18	Revenue Vehicles	BU - BUS	2904	1	5FYU5KY149B036724	12	412,307	$ 620,000	12	Yes
19	Revenue Vehicles	BU - BUS	2905	1	5FYU5KY169B036725	12	419,398	$ 620,000	12	Yes
20	Revenue Vehicles	BU - BUS	2906	1	5FYU5KY189B036726	12	411,064	$ 620,000	12	Yes
21	Revenue Vehicles	BU - BUS	2907	1	5FYU5KY1X9B036727	12	437,311	$ 620,000	12	Yes
22	Revenue Vehicles	BU - BUS	2908	1	5FYU5KY119B036728	12	443,241	$ 620,000	12	Yes
23	Revenue Vehicles	BU - BUS	2909	1	5FYU5FY199B036841	12	476,953	$ 620,000	12	Yes
24	Revenue Vehicles	BU - BUS	2910	1	5FYU5FY109B036842	12	481,420	$ 620,000	12	Yes

#	Asset Category	Asset Class	Asset #	Count	ID/Serial No	Age (Years)	Vehicle Mileage (as of 06/06/22)	Replacement Cost/Value (as of 06/22)	Useful Life Benchmark (Years)	Passed Useful Life Benchmark
25	Revenue Vehicles	BU - BUS	2912	1	5FYU5FY149B036844	12	445,375	$ 620,000	12	Yes
26	Revenue Vehicles	BU - BUS	2913	1	5FYU5FY169B036845	12	463,633	$ 620,000	12	Yes
27	Revenue Vehicles	BU - BUS	2914	1	5FYU5FY189B036846	12	459,000	$ 620,000	12	Yes
28	Revenue Vehicles	BU - BUS	2915	1	5FYU5FY1X9B036847	12	463,576	$ 620,000	12	Yes
29	Revenue Vehicles	BU - BUS	2916	1	5FYU5FY119B036848	12	448,446	$ 620,000	12	Yes
30	Revenue Vehicles	BU - BUS	2917	1	5FYU5FY139B036849	12	464,444	$ 620,000	12	Yes
31	Revenue Vehicles	BU - BUS	2918	1	5FYU5FY1X9B036850	12	456,061	$ 620,000	12	Yes
32	Revenue Vehicles	BU - BUS	2919	1	5FYU5FY119B036851	12	463,783	$ 620,000	12	Yes
33	Revenue Vehicles	BU - BUS	2920	1	5FYU5FY139B036852	12	456,764	$ 620,000	12	Yes
34	Revenue Vehicles	BU - BUS	2921	1	5FYU5FY159B036853	12	484,833	$ 620,000	12	Yes
35	Revenue Vehicles	BU - BUS	2922	1	5FYU5FY179B036854	12	467,094	$ 620,000	12	Yes
36	Revenue Vehicles	BU - BUS	2923	1	5FYU5FY199B036855	12	482,496	$ 1,358,358	12	Yes
37	Revenue Vehicles	BU - BUS	2924	1	5FYU5FY109B036856	12	434,286	$ 1,358,358	12	Yes
38	Revenue Vehicles	BU - BUS	2925	1	5FYU5FY129B036857	12	440,751	$ 1,358,358	12	Yes
39	Revenue Vehicles	BU - BUS	1001	1	5FYC5FB15AC038279	11	454,031	$ 1,358,358	12	No
40	Revenue Vehicles	BU - BUS	1002	1	5FYC5FB11AC038280	11	417,783	$ 1,358,358	12	No
41	Revenue Vehicles	BU - BUS	1003	1	5FYC5FB13AC038281	11	435,622	$ 1,358,358	12	No
42	Revenue Vehicles	BU - BUS	1101	1	5FYC5FB12BC039988	10	409,286	$ 1,358,358	12	No
43	Revenue Vehicles	BU - BUS	1102	1	5FYC5FB12BC039989	10	398,581	$ 1,358,358	12	No
44	Revenue Vehicles	BU - BUS	1103	1	5FYC5FB12BC039990	10	391,648	$ 1,358,358	12	No
45	Revenue Vehicles	BU - BUS	1104	1	5FYC5FB12BC039991	10	425,990	$ 1,358,358	12	No
46	Revenue Vehicles	BU - BUS	1301	1	5FYC8FB17DC041776	9	368,918	$ 1,358,358	12	No
47	Revenue Vehicles	BU - BUS	1302	1	5FYC8FB19DC041777	9	316,084	$ 1,358,358	12	No
48	Revenue Vehicles	BU - BUS	1303	1	5FYC8FB10DC041778	9	362,215	$ 1,358,358	12	No
49	Revenue Vehicles	BU - BUS	1304	1	5FYC8FB12DC041779	9	367,221	$ 1,358,358	12	No
50	Revenue Vehicles	BU - BUS	1305	1	5FYC8FB19DC041780	9	320,447	$ 1,358,358	12	No
51	Revenue Vehicles	BU - BUS	1306	1	5FYC8FB10DC041781	9	349,833	$ 1,358,358	12	No

#	Asset Category	Asset Class	Asset #	Count	ID/Serial No	Age (Years)	Vehicle Mileage (as of 06/06/22)	Replacement Cost/Value (as of 06/22)	Useful Life Benchmark (Years)	Passed Useful Life Benchmark
52	Revenue Vehicles	BU - BUS	1307	1	5FYC8FB12DC041782	9	346,066	$ 1,358,358	12	No
53	Revenue Vehicles	BU - BUS	1308	1	5FYC8FB14DC041783	9	370,727	$ 1,358,358	12	No
54	Revenue Vehicles	BU - BUS	1601	1	5FYC8FB07GC049887	6	201,251	$ 1,358,358	12	No
55	Revenue Vehicles	BU - BUS	1602	1	5FYC8FB09GC049888	6	218,539	$ 1,358,358	12	No
56	Revenue Vehicles	BU - BUS	1603	1	5FYC8FB00GC049889	6	218,151	$ 1,358,358	12	No
57	Revenue Vehicles	BU - BUS	1604	1	5FYC8FB07GC049890	6	210,338	$ 1,358,358	12	No
58	Revenue Vehicles	BU - BUS	1605	1	5FYC8FB09GC049891	6	216,422	$ 1,358,358	12	No
59	Revenue Vehicles	BU - BUS	1606	1	5FYC8FB00GC049892	6	229,279	$ 1,358,358	12	No
60	Revenue Vehicles	BU - BUS	1607	1	5FYC8FB02GC049893	6	201,170	$ 1,358,358	12	No
61	Revenue Vehicles	BU - BUS	1801	1	5FYC8FB00JB054149	4	110,953	$ 1,358,358	12	No
62	Revenue Vehicles	BU - BUS	1802	1	5FYC8FB07JB054150	4	125,841	$ 1,358,358	12	No
63	Revenue Vehicles	BU - BUS	1803	1	5FYC8FB09JB054151	4	144,370	$ 1,358,358	12	No
64	Revenue Vehicles	BU - BUS	1804	1	5FYC8FB00JB054152	4	140,561	$ 1,358,358	12	No
65	Revenue Vehicles	BU - BUS	1805	1	5FYC8FB02JB054153	4	140,809	$ 1,358,358	12	No
66	Revenue Vehicles	BU - BUS	2020	1	5FYC8FB03MB075355	2	30,714	$ 1,358,358	12	No

A2: Equipment Condition Data

#	Asset Category	Asset Class	Asset Name	Asset #	Count	ID/Serial No	Age (Years)	Vehicle Mileage (as of 06/06/22)	Replacement Cost/Value (as of 06/22)	Useful Life Benchmark (Years)	Passed Useful Life Benchmark
1	Equipment	Automobile	Relief Car	R1	1	19XFB5F51CE000508	10	40,874	$ 35,000	4	Yes
2	Equipment	Automobile	Relief Car	R2	1	19XFB5F51CE001075	10	39,094	$ 35,000	4	Yes
3	Equipment	Automobile	Relief Car	R3	1	19XFB5F5XCE001026	10	35,374	$ 35,000	4	Yes
4	Equipment	Automobile	Relief Car	R4	1	19XFB5F52CE001019	10	33,791	$ 35,000	4	Yes
5	Equipment	Automobile	Relief Car	R5	1	19XFB5F57CE001551	10	31,943	$ 35,000	4	Yes
6	Equipment	Automobile	Relief Car	R6	1	19XFB5F56CE001525	10	31,130	$ 35,000	4	Yes
7	Equipment	Automobile	Relief Car	R7	1	19XFB5F53CE001546	10	30,278	$ 35,000	4	Yes
8	Equipment	Automobile	Relief Car	R8	1	19XFB5F56CE001492	10	28,405	$ 35,000	4	Yes
9	Equipment	Automobile	Relief Car	R9	1	19XFB5F56CE001539	10	23,142	$ 35,000	4	Yes
10	Equipment	Automobile	Supervisor Car	S1	1	57WMD2B63EM102200	6	65,548	$ 70,000	4	Yes
11	Equipment	Automobile	Supervisor Car	S2	1	57WMD2B60EM102204	6	51,898	$ 70,000	4	Yes
12	Equipment	Automobile	Supervisor Car	S3	1	57WMD2B62EM102205	6	64,157	$ 70,000	4	Yes
13	Equipment	Automobile	Supervisor Car	S4	1	57WMD2B64EM102206	6	62,467	$ 70,000	4	Yes
14	Equipment	Automobile	Supervisor Car	S5	1	57WMD2B66EM102207	6	60,228	$ 70,000	4	Yes
15	Equipment	Trucks and other Rubber Tire Vehicles	Service Truck	M1	1	54DC4W1C2CS800266	10	27,355	$ 125,000	8	Yes

#	Asset Category	Asset Class	Asset Name	Asset #	Count	ID/Serial No	Age (Years)	Vehicle Mileage (as of 06/06/22)	Replacement Cost/Value (as of 06/22)	Useful Life Benchmark (Years)	Passed Useful Life Benchmark
16	Equipment	Automobile	Supervisor Car	M2	1	19XFB5F56CE001669	10	37,677	$ 35,000	4	Yes
17	Equipment	Automobile	Transit Administration	A1	1	4T1BD1FK7DU081603	9	50,132	$ 28,000	4	Yes
18	Equipment	Automobile	Transit Administration	A2	1	4T1BD1FK9DU087578	9	42,910	$ 28,000	4	Yes
19	Equipment	Cutaway Buses	Cutaway Van	FORD	1	1FDEE4F67KDC36694	3	986	$ 80,000	10	No
20	Equipment	Trucks and other Rubber Tire Vehicles	Expedition	FORD	1	1FMPU18L6XLC09044	23	182,199	$ 60,000	8	Yes
21	Equipment	Trucks and other Rubber Tire Vehicles	Service Truck	M3	1	1GBJC34N6RE261141	28	78,598	$ 125,000	8	Yes
22	Equipment	Trucks and other Rubber Tire Vehicles	Warehouse Truck	M4	1	1GBJC34F7WF037388	24	80,894	$ 74,000	8	Yes
23	Equipment	Support Equipment	Fork Lift	F1	1	H177B07315V	23	N/A	$ 40,000	4	Yes
24	Equipment	Support Equipment	Sweeper	T1	1	6500-5665	20	N/A	$ 34,000	4	Yes
25	Equipment	Support Equipment	Outdoor Scrubber	T2	1	4200-6274	17	N/A	$ 51,000	4	Yes
26	Equipment	Support Equipment	Indoor Scrubber	T3	1	7300-2569	13	N/A	$ 65,000	4	Yes
27	Equipment	Support Equipment	Golf Cart	G1	1	1FABP225720102610	20	N/A	$ 23,000	4	Yes
28	Equipment	Support Equipment	Golf Cart	G2	1	3332790	4	N/A	$ 20,000	4	Yes
29	Equipment	Support Equipment	Golf Cart	G3	1	3333686	4	N/A	$ 15,000	4	Yes

A3: Facilities Condition Data

#	Asset Category	Asset Class	Asset Name	Count	ID/Serial No	Age (Years)	TERM Scale Condition	Replacement Cost/Value
1	Facilities	Administrative	Building 1 Administrative Office	1	400 S Taylor Ave	27	3	$ 9,776,478
2	Facilities	Maintenance	Building 2 Fueling Station and Wash Structure	1	400 S Taylor Ave	27	3	$ 2,321,362
3	Facilities	Maintenance	Building 3 Maintenance Building	1	400 S Taylor Ave	55	3	$ 20,544,783
4	Facilities	Parking	Building 4 Parking Structure	1	400 S Taylor Ave	27	4	$ 37,877,113

**Facility Condition Assessment prepared by Bureau Veritas on December 27, 2021. BV PROJECT #: 154090.21R000-001.244*

#	Asset Category	Asset Class	Asset Name	Count	ID/Serial No	Age (Years)	TERM Scale Condition	Replacement Cost/Value
5	Facilities	Passenger	Montebello/ Commerce Metrolink Station	1	2000 Flotilla St	25	4	$ 50,000,000

**Facility Condition Assessment reference the City's Transit Asset Management Plan October 2018.*

Appendix B: Proposed Investment Project List

#	Project Year	Project Name	Asset/Asset Class	Cost	Priority
1	2022	Super Duty Road Call Truck Replacement	Equipment/Automobile	$ 150,000	Medium
2	2022	Maintenance Hose Reels Replacement	Facilities/Critical Equipment	$ 80,000	High
3	2022	Tenant Improvement (TI)	Facilities	$ 200,000	High
4	2022	Mobile Hydrogen Fueling Station & Maintenance Bays Retrofit	Facilities/Critical Equipment	$ 1,900,000	High
5	2022	HVAC System	Facilities/Critical Equipment	$ 5,700,000	High
6	2022	Seven (7) CNG Buses	Revenue Vehicles	$ 4,340,000	High
7	2022	Tire Lease (Annual)	Equipment/Automobile	$ 156,000	High
8	2022	Optibus Scheduling Software (Annual)	Computer Software	$ 65,000	High
9	2023	CAD/AVL Upgrade and Radio Integration	Equipment/Computer Software	$ 700,000	High
10	2023	Citywide Bus Stop Amenity	Facilities	$ 1,008,000	High
11	2023	Facility Camera Surveillance System	Facilities/Critical Equipment	$ 400,000	High
12	2023	Nine (9) CNG Buses and Three (3) FCEB	Revenue Vehicles	$ 9,655,074	High
13	2023	Bus in a Box	Equipment	$ 10,000	High
14	2023	Nine (9) Operations Relief Vehicles	Equipment/Automobile	$ 261,000	High
15	2023	Capital Asset Management Software	Computer Software	$ 500,000	High
16	2023	Indoor Shop Scrubber Replacement	Equipment/Trucks and other Rubber Tire Vehicles	$ 34,000	High
17	2023	Outdoor Shop Scrubber Replacement	Equipment/Trucks and other Rubber Tire Vehicles	$ 65,000	Medium
18	2023	Outdoor Sweeper Replacement	Equipment/Trucks and other Rubber Tire Vehicles	$ 51,000	High
19	2023	Tire Lease (Annual)	Equipment/Automobile	$ 160,000	High
20	2023	Optibus Scheduling Software (Annual)	Computer Software	$ 59,000	High
21	2024	Employee Time-Tracking Software	Computer Software	$ 25,000	Medium
22	2024	Facility Asphalt and Paving	Facilities	$ 100,000	Medium
23	2024	Five (5) Operation Supervisor Relief Vehicles	Equipment/Automobile	$ 250,000	Medium
24	2024	Three (3) CNG Buses and One (1) FCEB	Revenue Vehicles	$ 3,218,358	High
25	2024	Transit Relocation Feasibility Analysis	Facilities	$ 400,000	Medium
26	2024	Two (2) Bus Hoist Replacement	Facilities/Critical Equipment	$ 500,000	Medium

#	Project Year	Project Name	Asset/Asset Class	Cost	Priority
27	2024	Warehouse Truck Replacement	Equipment/Trucks and other Rubber Tire Vehicles	$ 75,000	Medium
28	2024	Asphalt and Paving (North/Eastside of Transit Facility)	Facilities	$ 100,000	High
29	2024	Forklift Replacement (Warehouse)	Equipment/Trucks and other Rubber Tire Vehicles	$ 50,000	Medium
30	2024	Forklift Replacement (Shop)	Equipment/Trucks and other Rubber Tire Vehicles	$ 40,000	Medium
31	2024	Tire Lease (Annual)	Equipment/Automobile	$ 164,000	High
32	2025	Four (4) CNG Buses and Two (2) FCEB	Revenue Vehicles	$ 5,196,716	High
33	2025	Vehicle Exhaust System Upgrade	Facilities/Critical Equipment	$ 150,000	Medium
34	2025	Tire Lease (Annual)	Equipment/Automobile	$ 168,000	High
35	2026	Four (4) FCEB	Revenue Vehicles	$ 5,433,432	High
36	2026	Tire Lease (Annual)	Equipment/Automobile	$ 175,000	High
37	2027	Three (3) FCEB	Revenue Vehicles	$ 4,075,074	High
38	2027	Tire Lease (Annual)	Equipment/Automobile	$ 190,000	High

Appendix C: Fleet Replacement Schedule

Total in Current Year $	**$ 9,655,074**		**$ 3,218,358**		**$ 5,196,716**		**$ 5,433,432**		**$ 4,075,074**	
Total in Year of Expenditure $	**$ 9,944,726**		**$ 3,314,909**		**$ 5,352,617**		**$ 5,596,435**		**$ 4,197,326**	
	2023		**2024**		**2025**		**2026**		**2027**	
Fleet Type (Year/Make/Model)	**Number**	**Cost in 2022 $**	**Number**	**Cost in 2022 $**	**Number**	**Cost in 2022 $**	**Number**	**Cost in 2022 $**	**Number**	**Cost in 2022 $**
Current/New Flyer/XHE40 (FCEB)	3	$ 4,075,074	1	$ 1,358,358	2	$ 2,716,716	4	$ 5,433,432	3	$ 4,075,074
Current/New Flyer/XN40 (CNG)	9	$ 5,580,000	3	$ 1,860,000	4	$ 2,480,000	0	$ -	0	$ -

**According to YCharts, the US expected change in inflation rates is at 3.00% for the next 5 years.*

RESOLUTION NO. 22-74

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, APPROVING MONTEBELLO BUS LINES' TRANSIT ASSET MANAGEMENT PLAN

RECITALS

WHEREAS, on July 26, 2016, the Federal Transit Administration (FTA) published the Transit Asset Management (TAM) Final Rule to define the term of State of Good Repair (SGR) and to establish minimum Federal requirements for TAM that will apply to all recipients and sub-recipients of Title 49 United States Code Chapter 53 (49 U.S.C. 53) funds that own, operate, or manage public transportation capital assets; and

WHEREAS, to remain eligible for federal funds, transit agencies are required to develop and implement TAM plans under the TAM Final Rule and 49 U.S.C 53. every four years; and

WHEREAS, the TAM Final Rule provides a framework for transit agencies to monitor and manage public transportation assets, improve safety, increase reliability and performance, and establish performance measures to maintain and operate systems effectively and efficiently; and

WHEREAS, in addition, transit agencies are required to annually submit an asset inventory, condition assessments, performance targets, and narrative reports to FTA's National Transit Database (NTD); and

WHEREAS, the City of Montebello (the "City"), as a transit bus owner by and through Montebello Bus Lines (the "MBL" or the "Transportation Department") provides transportation services to residents of Montebello and neighboring cities; and

WHEREAS, MBL will submit the TAM Plan to the FTA on behalf of the City for review and approval.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

APPROVES MONTEBELLO BUS LINES' TRANSIT ASSET MANAGEMENT PLAN; AND

SECTION 1: Approvals and Certifications.

1. The Transportation Department is approved to submit the TAM Plan to the FTA on behalf of the City of Montebello by and through the Montebello Bus Lines (MBL).

2. MBL's TAM Plan has been developed in accordance with the TAM Final Rule and 49 U.S.C 53 requirements.

3. Where reasonably necessary, the MBL' Director is authorized to make necessary modifications, adjustments and/or changes to the TAM Plan; provided such modifications, adjustments and/or changes are done for good cause and notice is given to the FTA of the proposed changes.

SECTION 2: That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

APPROVED AND ADOPTED this 28th day of September 2022.

_____
Kimberly A. Cobos-Cawthorne, Mayor

ATTEST: **APPROVED AS TO FORM:**

_____ _____
Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-74 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 28th day of September 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Christopher Jimenez, City Clerk

ITEM # 11

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Michael Solorza, Director of Finance

SUBJECT: **APPROVE BLANKET PURCHASE ORDERS TO GALLS AND PROFORCE**

DATE: September 28, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1) Authorize issuing annual Blanket Purchase Orders to Galls, LLC ("Galls") for uniforms and safety equipment through Fiscal Year 2024-25 in the amount of $23,000 per fiscal year ($69,000 over three fiscal years); and

2) Authorize issuing a one-time Blanket Purchase Order to ProForce Marketing, Inc. ("ProForce") for personal protective and less-lethal supplies/equipment purchases during Fiscal Year 2022-23 in the amount of $65,000; and

3) Authorize the City Manager to approve up to an additional $15,000 per vendor, per fiscal year, if necessary; and

4) Take such additional related activities that may be desirable.

FISCAL IMPACT:

If the recommendations are approved, blanket Purchase Orders will be issued to each vendor in the following amounts:

Galls - $23,000 (Per Fiscal Year through FY 2024 - 25)

GL Code	Amount
100-80-805-6000.40	$19,000
100-50-530-6016	$4,000

ProForce - $65,000 (For Fiscal Year 2022 – 23)

GL Code	Amount
100-80-805-6000.40	$65,000

It is also requested that the City Manager be authorized to approve an additional $15,000 to each vendor during the fiscal year, if needed. All purchase orders will be valid for purchases made during the fiscal year (July 1 through June 30). Purchase orders will be issued annually at the beginning of the fiscal year through the fiscal year ending June 30, 2025.

It should be noted that the City currently has an annual purchase order established with Galls to purchase various safety, uniform and equipment items for the Fire Department. This request will be in addition to that department-specific purchase order. Also, sufficient funding exists in the accounts above in the adopted FY 2022-23 budget for the intended purchases. The budget was developed to include the purchase during the fiscal year of various officer safety equipment (i.e., flashlights, batons, first aid kits, etc.) as well as one-time purchases of ballistic vests, helmets, and ammunition. All of these are items that can be procured through Galls and/or ProForce.

BACKGROUND:

N/A

ENVIRONMENTAL IMPACT:

N/A

ANALYSIS:

N/A

DISCUSSION:

The City of Montebello has previously utilized Galls and ProForce to purchase uniforms, safety equipment, less-lethal equipment, and other items for public safety personnel. The

City departments that primarily buy items from these vendors are Police, Fire, and Community Development (Code and Parking Enforcement). To ensure these items are readily available on an as-needed basis, it is requested that the City Council authorize issuing annual blanket purchase orders to the vendors mentioned above.

Both Galls and ProForce have valid agreements/purchase orders that were vetted through a competitive process (See Attachments A-C). Under Montebello Municipal Code Chapter 3.20.050, Piggybacking Purchasing Agreements, the City can establish purchase orders with these vendors using the same terms and conditions. This municipal code section states:

> *Piggyback Purchase - If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to "piggyback" onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.*

If approved, annual blanket purchase orders will be issued to Galls through Fiscal Year 2024-25. A one-time blanket purchase order will be issued to ProForce for the current fiscal year in the amount of $65,000. Furthermore, the City Manager will be authorized to increase each purchase order by up to $15,000 depending on the need and availability of funds.

SUMMARY:

Staff requests the City Council consider issuing annual Blanket Purchase Orders to Galls for uniforms and safety equipment through FY 2024-25 in the amount of $23,000 per fiscal year ($69,000 over three fiscal years), a one-time Blanket Purchase Order to ProForce for personal protective and less-lethal supplies/equipment purchases during Fiscal Year 2022-23 in the amount of $65,000, and authorize the City Manager to approve up to an additional $15,000 per vendor, per fiscal year, if necessary. Issuance of the proposed Blanket Purchase Orders will ensure the City receives the best pricing and purchases are made in compliance with the local vetting process and the City's municipal code.

ATTACHMENT(S)

1. Attachment A - Galls Contract 59457
2. Attachment B - Galls Contract 59463
3. Attachment C - ProForce Award Letter

NEXT STEPS:

N/A

CITY OF LOS ANGELES

City of Los Angeles Purchasing Agent
111 E 1ST STREET
ROOM 110
LOS ANGELES CA 90012

ANNUAL REQUIREMENTS CONTRACT

Contract Number	Description	RFQ Number
ARC 40 **59457** 20	Uniforms & Accessories	
Contract Dates	**Payment Terms**	**Delivery Days ARO**
11-23-21 to 11-30-22	0% Net 30	120
Central Purchasing	**Vendor**	**Bill To**
Contact: Marissa Rodriguez Phone: (213) 978-4658 E-mail: Marissa.Rodriguez@lacity.org	000002074 GALLS, LLC 17600 FABRICA WAY CERRITOS, CA 90703	City of Los Angeles Supply Svcs., Accounts Payable 555 Ramirez St., Space 312 Los Angeles CA 90012
Extended Description		
Delivery: 1 - 120 Days ARO		

Reason for Modification

Amendment 27, Exercising Renewal Option 9, expiring November 30, 2022; Price List Updates: Line 4 and 5, effective November 23, 2021.

Renewal Period Options

Option	Effective Date	Expiration Date

Line Items

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
1	53	Uniforms and accessories per "Attachment C" price schedule.U	LO	$0.0100		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		REPLACED BY LINE 5 ********** Attachment C (attached) **********				
2	53	Apparel, Bags and Caps: Price List	LO	$0.0010		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		REPLACED BY LINE 6 Apparel, Bags and Caps: 20% Discount from Price ListEffective November 7, 2016				
3	53	All other uniforms and accessories not cover by lines 1 and	LO	$0.0010		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		REPLACED BY LINE 7 Uniforms and Accessories not covered under lines 1 and 2.Percentage discount off Retail Price from Galls.com website: 20%In order to utilize this discount, all requests for quotes must go through Lou Jaeger, Sales Manager, or Loretta Vamanrav, Account Manager.				
4	53	Jackets, and Women's Firefighter Shirts and Pants not found		$0.0000	(-) 0%	
Extended Description:		Jackets, and Women's Firefighter Shirts and Pants not found in lines 1 or 2 042017 LA City Contract 59457 Line 4 Price List (attached) Identifying Column: Net Date of Price List: 04/20/2017 No. of Pages: three (3)				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
5	53	Uniforms and accessories per "Attachment C" price schedule.U		$0.0000	(-) 0%	
Extended Description:		********** Attachment C Effective 092616 (attached) **********				
6	53	Apparel, Bags and Caps: Price List		$0.0000	(-) 0%	
Extended Description:		Apparel, Bags and Caps: 20% Discount from Price List (attached) Applicable column: Net Price (includes discount already) Effective March 13, 2017				
7	53	All other uniforms and accessories not cover by lines 1 and2		$0.0000	(-) 0%	
Extended Description:		Uniforms and Accessories not covered under lines 1 and 2. Percentage discount off Retail Price from Galls.com website: 20% Percentage discount off MSRP, Retail, or Suggested Retail Price also applies to the following widely used City-exclusive items and other exceptions within the scope of the contract not on Galls.com website as approved by Galls. Galls must include authorization on the invoice for the 20% off MSRP, Retail, or Suggested Retail Price for items not on Galls.com website and will invoice the discounted amount. Item # HS841 LIME MD- LG LAPD Public Safety Vest w/ F-163 Logo Item # HS841 LIME XL LAFD Public Safety Vest w/ F-163 Logo Percentage discount off MSRP, Retail, or Suggested Retail Price as listed on Galls.com website: 20%. Sale and/or closeout price does not qualify for an additional 20% discount. Please note that if at the time of purchase the sale and/or closeout price is discounted greater than the 20%, the sale and/or closeout price shall be utilized instead of 20% of MSRP, Retail, or Suggested Retail Price. In order to utilize this discount, all requests for quotes must go through Lou Jaeger, Sales Manager, or Loretta Vamanrav, Account Manager.				

Authorized By

Annual Requirements Contract Clauses, Terms, and Conditions

Line Item Provisions

Clauses and Comments on PDF

Document Provisions

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Supporting Documents

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INTENTIONALLY LEFT BLANK TO ADD CLAUSES AND COMMENTS.

CITY OF LOS ANGELES

City of Los Angeles Purchasing Agent
111 E 1ST STREET
ROOM 110
LOS ANGELES CA 90012

ANNUAL REQUIREMENTS CONTRACT

Contract Number	Description	RFQ Number
ARC 40 **59463** 26	Police Equipment, Supplies, & Accessories	
Contract Dates	**Payment Terms**	**Delivery Days ARO**
01-27-22 to 01-31-23	0% Net 30	120
Central Purchasing	**Vendor**	**Bill To**
Contact: Marissa Rodriguez Phone: (213) 978-4658 E-mail: Marissa.Rodriguez@lacity.org	000002074 GALLS, LLC 17600 FABRICA WAY CERRITOS, CA 90703	City of Los Angeles Supply Svcs., Accounts Payable 555 Ramirez St., Space 312 Los Angeles CA 90012

Reason for Modification

Amendment #33, Exercising Renewal 9 of 9, Effective 2/1/2022 to 1/31/2023.

Renewal Period Options

Option	Effective Date	Expiration Date

Line Items

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
1	53100000	Police Equipment, Supplies and Accessories. See attached Ap	LO	$0.0010		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		Deivery Lead Times:Stock merchandise in retail stores can be picked up immediately on an as-needed basis.Large quantity bulk orders require 20-45 days delivery.Custom made items coming from overseas require 60-90 day delivery. *** Next Comment *** Reference Item List Item numbers 4-6 was deleted from this contract and was replaced by contract line items 2 and 3.Reference Item List item number 42: part number change from X11204A to X112039A. No change in price. *** Next Comment *** Amendment # 14, Add Line #40 - Catalog pricing. TRB *** Next Comment *** Amendment # 15, add Line # 41-42. trb				
2	461815	Body Armor, Concealable, Level II, Male, KDH Defense System,	EA	$665.0000		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		Optional Upgrade: Pricing for Level III concealable body armor listed is for informational use only. Police Officers who would like to upgrade their standard issued vest to a Level III model will pay the difference at the individual officer's expense.Part Number LTST-102-IIIA - Male Unit price: $765.00 each *** Next Comment *** LINE # 2 IS DELETED PER AMENDMENT # 11. PLEASE USE LINE # 38 & 39				
3	461815	Body Armor, Concealable, Level II, Female, KDH Defense Syste	EA	$665.0000		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		Optional Upgrade: Pricing for Level III concealable body armor listed is for informational use only. Police Officers who would like to upgrade their standard issued vest to a Level III model will pay the difference at the individual officer's expense.Part Number LTSTF-102-IIIA - Female Unit price: $765.00 each *** Next Comment *** Refer to Amendment # 2 regarding change in speed plate. SK. *** Next Comment *** Please use LIne # 2. This line is deleted per Amendment # 9. SK.				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
4	461815	STRAPPING SYSTEM & POUCH SYSTEM, MODIFIED, INCLUDING STRAPS	EA	$39.0000		
Extended Description:		STRAPPING SYSTEM & POUCH SYSTEM, MODIFIED, INCLUDING STRAPS OF TWO 2" X 7" BRETHE-O-PRENE SHOULDER STRAPS & TWO 4" X 12" SIDE STRAPS AND SYSTEM OF TWO 10" X 12" X 1" POUCHES SITUATED ON THE FRONT & REAR OF WEARER'S TORSO, "POINT BLANK", #CS2C33030P-LAFD * NOTE: ITEM ABOVE IS INTENDED FOR USE WITH THE BODY ARMOR LISTED ON LINE # 67-69 OF THE CONTRACT.				
Manufacturer:		POINT BLANK				
Mfr Part No.:		CS2C33030P-LAFD				
5	461815	HELMET, TACTICAL, NIJ IIIA WITH MODULAR SUSPENSION SYSTEM, I	EA	$265.5000		
Extended Description:		HELMET, TACTICAL, NIJ IIIA WITH MODULAR SUSPENSION SYSTEM, ITEM# PTH-IIIA + PAR-MSS, "PARACLETE"				
Manufacturer:		PARACLETE				
Mfr Part No.:		PTH-IIIA + PAR-MSS				
6	461815	BODY ARMOR, LEVEL II, SECOND CHANCE SUMMIT, NIJ0101.06 STAND	EA	$599.3700		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		BODY ARMOR, LEVEL II, SECOND CHANCE SUMMIT, NIJ0101.06 STANDARDS WITH ONE (1) APEX CARRIER, MALE, INCLUDING SPECIAL DEPARTMENT SERIALIZATION AND LABEL, ITEM# SM01 II, "SAFARILAND"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		SM01 II				
7	461815	BODY ARMOR, LEVEL II, SECOND CHANCE SUMMIT, NIJ0101.06 STAND	EA	$599.3700		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		BODY ARMOR, LEVEL II, SECOND CHANCE SUMMIT, NIJ0101.06 STANDARDS WITH ONE (1) APEX CARRIER, FEMALE, INCLUDING SPECIAL DEPARTMENT SERIALIZATION AND LABEL, ITEM# SMO1F II,"SAFARILAND"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		SMO1F II				
8	461815	BODY ARMOR, LEVEL IIIA, SECOND CHANCE SUMMIT, NIJ0101.06 STA	EA	$702.5500		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		BODY ARMOR, LEVEL IIIA, SECOND CHANCE SUMMIT, NIJ0101.06 STANDARDS WITH ONE (1) APEX CARRIER, MALE, INCLUDING SPECIAL DEPARTMENT SERIALIZATION AND LABEL, ITEM# SMO1 IIIA, "SAFARILAND"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		SMO1 IIIA				
9	461815	BODY ARMOR, LEVEL IIIA, SECOND CHANCE SUMMIT, NIJ0101.06 STA	EA	$702.5500		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		BODY ARMOR, LEVEL IIIA, SECOND CHANCE SUMMIT, NIJ0101.06 STANDARDS WITH ONE (1) APEX CARRIER, FEMALE, INCLUDING SPECIAL DEPARTMENT SERIALIZATION AND LABEL, ITEM# SMO1F IIIA, "SAFARILAND"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		SMO1F IIIA				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
10	461815	VEST, TACTICAL, FAV MKII ENHANCED WITH MOLLE ATTACHMENT SYST	EA	$1,379.7500		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		VEST, TACTICAL, FAV MKII ENHANCED WITH MOLLE ATTACHMENT SYSTEM, BR01 SERIES, NIJ0101.06 LEVEL IIIA, BLACK, ITEM# P6-FBR3-XXXXX-AYK, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		P6-FBR3-XXXXX-AYK				
11	461815	VEST, RAPID RESPONSE, F1, LAPD SIS FRONT OPENING, ENHANCED W	EA	$1,689.2000		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		VEST, RAPID RESPONSE, F1, LAPD SIS FRONT OPENING, ENHANCED WITH MOLLE ATTACHMENT SYSTEM, BR01 SERIES, NIJ0101.06 LEVEL IIIA, BLACK, ITEM# P6-SBRZ-XXXXX-ZYK-5730, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		P6-SBRZ-XXXXX-ZYK-5730				
12	461815	CERAMIC COMPOSITE SINGLE CURVE, LEVEL IV, 8" X 10", ITEM# 21	EA	$211.9800		
Extended Description:		CERAMIC COMPOSITE SINGLE CURVE, LEVEL IV, 8" X 10", ITEM# 2116G/1003465, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		2116G/1003465				
13	461815	UNIVERSAL RADIO POUCH, CORDURA, MOLLE, BLACK, ITEM# TP-21, "	EA	$18.6600		
Extended Description:		UNIVERSAL RADIO POUCH, CORDURA, MOLLE, BLACK, ITEM# TP-21, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		TP-21				
14	461815	POUCH, MEDIC, CORDURA, MOLLE, BLACK, ITEM# TP-20, "PROTECH"	EA	$18.6600		
Extended Description:		POUCH, MEDIC, CORDURA, MOLLE, BLACK, ITEM# TP-20, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		TP-20				
15	461815	POUCH, COMBO EXPANDABLE, BATON / FLASHLIGHT, CORDURA, MOLLE,	EA	$18.6600		
Extended Description:		POUCH, COMBO EXPANDABLE, BATON / FLASHLIGHT, CORDURA, MOLLE, BLACK, ITEM# TP-14A, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		TP-14A				
16	461815	POUCH, SINGLE HANDCUFF, CORDURA, MOLLE, BLACK, ITEM# TP-17,	EA	$18.6600		
Extended Description:		POUCH, SINGLE HANDCUFF, CORDURA, MOLLE, BLACK, ITEM# TP-17, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		TP-17				
17	461815	POUCH, DUAL M4/SIDE ARM MAGAZINE, CORDURA, MOLLE, ITEM# TP-7	EA	$18.6600		
Extended Description:		POUCH, DUAL M4/SIDE ARM MAGAZINE, CORDURA, MOLLE, ITEM# TP-7, "PROTECH"				
Manufacturer:		PROTECH				
Mfr Part No.:		TP-7				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
18	461815	POUCH, DOUBLE M4 MAGAZINE, 30 ROUNDS, CORDURA, MOLLE, BLACK,	EA	$18.6600		
	Extended Description:	POUCH, DOUBLE M4 MAGAZINE, 30 ROUNDS, CORDURA, MOLLE, BLACK, ITEM# TP-5A, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	TP-5A				
19	461815	POUCH, SHOTGUN SHELL, 12 ROUND, MOLLE, BLACK, ITEM# TP-11, "	EA	$18.6600		
	Extended Description:	POUCH, SHOTGUN SHELL, 12 ROUND, MOLLE, BLACK, ITEM# TP-11, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	TP-11				
20	461815	POUCH, DOUBLE SIDE ARM MAGAZINE, CORDURA, MOLLE, BLACK, ITEM	EA	$18.6600		
	Extended Description:	POUCH, DOUBLE SIDE ARM MAGAZINE, CORDURA, MOLLE, BLACK, ITEM# TP-10A, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	TP-10A				
21	461815	PATCH, SMALL ID, 1" LETTERING EMBOSSED, "POLICE" WHITE ON BL	EA	$7.0100		
	Extended Description:	PATCH, SMALL ID, 1" LETTERING EMBOSSED, "POLICE" WHITE ON BLACK, ITME# I-XXXX-AS3, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	I-XXXX-AS3				
22	461815	PATCH, LARGE ID, 2" LETTERING EMBOSSED, "POLICE" WHITE ON BL	EA	$7.0100		
	Extended Description:	PATCH, LARGE ID, 2" LETTERING EMBOSSED, "POLICE" WHITE ON BLACK, ITEM# I-XXXX-AL4, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	I-XXXX-AL4				
23	461815	BALLISTIC THROAT PROTECTION, BLACK BR01 BALLISTICS, NIJ 0101	EA	$71.3500		
		***** THIS LINE IS NOT ACTIVE *****				
	Extended Description:	BALLISTIC THROAT PROTECTION, BLACK BR01 BALLISTICS, NIJ 0101.036 LEVEL IIIA, BLACK, ITEM# P6-A-FAVTHRT-BR3-YK, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	P6-A-FAVTHRT-BR3-YK				
24	461815	BICEP PROTECTOR, PAIR, BLACK, BR01 BALLISTICS, NIJ0101.06 LE	EA	$236.7500		
		***** THIS LINE IS NOT ACTIVE *****				
	Extended Description:	BICEP PROTECTOR, PAIR, BLACK, BR01 BALLISTICS, NIJ0101.06 LEVEL IIIA, ITEM# P6-A-BCP-BR3-YK (6X6 PKT), "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	P6-A-BCP-BR3-YK (6X6 PKT)				
25	461815	COLLAR, BALLISTIC, FOR FAV MKII, BLACK BR01 BALLISTICS, NIJ0	EA	$81.1000		
		***** THIS LINE IS NOT ACTIVE *****				
	Extended Description:	COLLAR, BALLISTIC, FOR FAV MKII, BLACK BR01 BALLISTICS, NIJ0101.06 LEVEL IIIA, ITEM# P6-A-ENHCOL-BR3-1X-YK, "PROTECH"				
	Manufacturer:	PROTECH				
	Mfr Part No.:	P6-A-ENHCOL-BR3-1X-YK				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
26	461815	POUCHES, SET OF EIGHT POUCHES, CORDURA, BLACK, ITEM# TP, "PR	EA	$149.2800		
Extended Description: POUCHES, SET OF EIGHT POUCHES, CORDURA, BLACK, ITEM# TP, "PROTECH"						
Manufacturer: PROTECH						
Mfr Part No.: TP						
27	461815	STRANDHOGG MBAV L/XL, FRONT AND BACK BODY, BLACK, ITEM# TBD,	EA	$286.9900		
Extended Description: STRANDHOGG MBAV L/XL, FRONT AND BACK BODY, BLACK, ITEM# TBD, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: TBD						
28	461815	CUMMERBUND, OVERLAP, LE, L/XL, BLACK, ITEM# 500-15-00381-500	EA	$15.0000		
Extended Description: CUMMERBUND, OVERLAP, LE, L/XL, BLACK, ITEM# 500-15-00381-5001-53, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: 500-15-00381-5001-53						
29	461815	PANELS, ARMOR, SOFT, MBAV FRONT/BACK, L/XL AXIIA, ITEM# 500-	EA	$448.7500		
Extended Description: PANELS, ARMOR, SOFT, MBAV FRONT/BACK, L/XL AXIIA, ITEM# 500-17-00301-000-53, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: 500-17-00301-000-53						
30	461815	ARMOR, SOFT, NIJ 06 LEVEL IIIA (AXIIIA), 6 X 13 (SET OF TWO)	EA	$218.9700		
Extended Description: ARMOR, SOFT, NIJ 06 LEVEL IIIA (AXIIIA), 6 X 13 (SET OF TWO), OVERLAP, ITEM# TBD, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: TBD						
31	461815	ARMOR, SOFT, MASS SHOULDER W/ AXIIIA, ITEM# 500-15-00392-5001	EA	$173.9200		
Extended Description: ARMOR, SOFT, MASS SHOULDER W/AXIIIA, ITEM# 500-15-00392-5001-00, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: 500-15-00392-5001-00						
32	461815	ARMOR, SOFT, MASS BICEP W/ AXIIIA, ITEM# 500-15-00071-5001-00	EA	$323.8800		
Extended Description: ARMOR, SOFT, MASS BICEP W/AXIIIA, ITEM# 500-15-00071-5001-00, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: 500-15-00071-5001-00						
33	461815	ARMOR, SOFT, MASS COLLAR W/ AXIIIA, ITEM# 500-15-00069-5001-0	EA	$124.8100		
Extended Description: ARMOR, SOFT, MASS COLLAR W/AXIIIA, ITEM# 500-15-00069-5001-00, "FIRST SPEAR"						
Manufacturer: FIRST SPEAR						
Mfr Part No.: 500-15-00069-5001-00						
34	461815	5 POCKET SUITE, ITEM# TBD, "FIRST SPEAR"	EA	$273.9600		
Extended Description: Safety apparel						
Manufacturer: FIRST SPEAR						
Mfr Part No.: TBD						

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
35	461815	RIFLE STOCK STOP, 6/12, BLACK, ITEM# 500-15-00428-5001-00, "	EA	$16.8900		
Extended Description:		RIFLE STOCK STOP, 6/12, BLACK, ITEM# 500-15-00428-5001-00, "FIRST SPEAR"				
Manufacturer:		FIRST SPEAR				
Mfr Part No.:		500-15-00428-5001-00				
36	461815	PLATE, RIFLE, 10 X 12 LEVEL III+, SHOOTER'S CUT, ITEM# 20260	EA	$399.9500		
Extended Description:		PLATE, RIFLE, 10 X 12 LEVEL III+, SHOOTER'S CUT, ITEM# 20260, "POINT BLANK"				
Manufacturer:		POINT BLANK				
Mfr Part No.:		20260				
37	461815	PLATE, SHOOTER'S CUT, 10 X 12.1, MODEL 3610, ITEM# 3610-SWL,	EA	$358.0500		
Extended Description:		PLATE, SHOOTER'S CUT, 10 X 12.1, MODEL 3610, ITEM# 3610-SWL, "HESCO"				
Manufacturer:		HESCO				
Mfr Part No.:		3610-SWL				
38	461815	BODY ARMOR, CONCEALABLE, REPLACED W/ LINES 47 (MALE) & 48	EA	$665.0000		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		Replaced with Lines 44 (male) & 45 (female) BODY ARMOR, CONCEALABLE, LEVEL IIIA, MALE, ONE (1) HILITE CARRIER WITH AXIIIA BALLISTIC PANELS AND ONE (1) 7 X 10 SPEED PLATE, ITEM# HL6AXDCS0M, "POINT BLANK" * NOTE: FOR FEMALE BODY ARMOR, THE ITEM # IS HX6AZDCS0M				
Manufacturer:		POINT BLANK				
Mfr Part No.:		HL6AXDCS0M				
39	461815	PLATE, SIZE: MEDIUM, THIN, LIGHTWEIGHT MIL-SPEC., SAPI / SHO	EA	$699.5000		
Extended Description:		PLATE, SIZE: MEDIUM, THIN, LIGHTWEIGHT MIL-SPEC., SAPI / SHOOTER'S CUT, ITEM# SOST-500, "POINT BLANK"				
Manufacturer:		POINT BLANK				
Mfr Part No.:		SOST-500				
40	461815	Equipment, Supplies and Accessories not covered under lines	EA	$0.0100		
		***** THIS LINE IS NOT ACTIVE *****				
Extended Description:		PRICE LIST DISCOUNT: Percentage discount off Retail Price from Galls.com website: 20%.In order to utilize this discount, all requests for quotes must go through Lou Jaeger, Sales Manager, or Loretta Vamanrav, Account Manager. Manufacturer: VariousApplicable price column: Retail List PriceThe "Price Agreement Conditions" herein shall apply to discounts.				
41	461815	Bladetech Ambidextrous LAPD Taser Holster	EA	$21.7400		
Extended Description:		Safety apparel				
Manufacturer:		BLADETECH				
42	461815	Safariland EDW Cartridge Holder, Leather-Look Finish	EA	$19.1300		
Extended Description:		Safety apparel				
Manufacturer:		SAFARILAND				
43	461818	Ballistic Shields; Part # ASPIS-X GS Point Blank, Level III	EA	$5,804.5500		
Extended Description:		Ballistic Shields; Part # ASPIS-X GS Point Blank, Level III Body Shield with Viewport and Light; 20 x 30; (per LAPD's stated specifications; Standard Shipping included in Unit price)				
Manufacturer:		POINT BLANK				
Mfr Part No.:		ASPIS-X GS				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
44	461815	EQUIPMENT, SUPPLIES AND ACCESSORIES NOT COVERED UNDER LINE 1		$0.0000	(-) 0%	
Extended Description:		EQUIPMENT, SUPPLIES AND ACCESSORIES NOT COVERED UNDER LINE 1 TO 39 PRICE LIST DISCOUNT: Percentage discount off Retail Price from Galls.com website: 20%.In order to utilize this discount, all requests for quotes must go through Lou Jaeger, Sales Manager, or Loretta Vamanrav, Account Manager. Manufacturer: VariousApplicable price column: Retail List PriceThe "Price Agreement Conditions" herein shall apply to discounts.				
46	53100000	POLICE EQUIPMENT, SUPPLIES AND ACCESSORIES. SEE ATTACHED AP		$0.0000	(-) 0%	
Extended Description:		POLICE EQUIPMENT, SUPPLIES AND ACCESSORIES. SEE ATTACHED APPROVED ITEM LIST. Delivery Lead Times:Stock merchandise in retail stores can be picked up immediately on an as-needed basis.Large quantity bulk orders require 20-45 days delivery.Custom made items coming from overseas require 60-90 day delivery. *** Next Comment *** Reference Item List Item numbers 4-6 was deleted from this contract and was replaced by contract line items 2 and 3.Reference Item List item number 42: part number change from X11204A to X112039A. No change in price. *** Next Comment *** Amendment # 14, Add Line #40 - Catalog pricing. TRB *** Next Comment *** Amendment # 15, add Line # 41-42. trb				
47	461815	Body Armor, Concealable, Level IIIA, Male, Point Black Alpha	EA	$702.6400		
Extended Description:		Body Armor, Concealable, Level IIIA, Male, Point Black Alpha Black, Men's Body Armor with one HiLite carrier and either a 5"x8" or 7"x10" semi rigid plate with each vest, compliant under Federal Standard NIJ 0101.03, including special Department serialization and label, Part Number AXBIIIA				
Manufacturer:		POINT BLANK				
Mfr Part No.:		BP1164 NAV CTM WT				
48	461815	Body Armor, Concealable, Level IIIA, Female, Point Black,	EA	$702.6400		
Extended Description:		Body Armor, Concealable, Level IIIA, Female, Point Black Alpha Black, Women's Body Armor with one HiLite carrier and either a 5"x8" or 7"x10" semi rigid plate with each vest, compliant under Federal Standard NIJ 0101.03, including special Department serialization and label, Part Number AXBIIIAF				
Manufacturer:		POINT BLANK				
Mfr Part No.:		BP1167 NAV CTM WT				
49	4618	Point Blank, R20D Carrier. Part Number OS5M00BV0J	EA	$143.9000		
Extended Description:		Point Blank, R20D Carrier with front and black POLICE ID panels. Part Number BL546 / OS5M00BV0J				
Manufacturer:		POINT BLANK				
Mfr Part No.:		OS5M00BV0J				
50	4618	Point Blank, Endeavor Carrier, Part Number EN4M00BV0J	EA	$203.4000		
Extended Description:		Point Blank, Endeavor Carrier with front and back POLICE ID panels. Part Number TP810 / EN4M00BV0J				
Manufacturer:		POINT BLANK				
Mfr Part No.:		EN4M00BV0J				
51	4618	Point Blank, Maverick Carrier, Part Number MK3M00BV0J	EA	$203.4000		
Extended Description:		Point Blank, Maverick Carrier with front and back POLICE ID panels. Part Number BL545 / MK3M00BV0J				
Manufacturer:		POINT BLANK				
Mfr Part No.:		MK3M00BV0J				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
52	4618	Point Blank, Guardian Carrier, Part Number GD1M00BV0J	EA	$203.4000		
Extended Description:		Point Blank, Guardian Carrier with front and back POLICE ID panels. Part Number BL368 / GD1M00BV0J				
Manufacturer:		POINT BLANK				
Mfr Part No.:		GD1M00BV0J				
53	461815	Handcuff Case, Single, Accumold Elite 7900,Clarino Black	EA	$23.7800		
Extended Description:		Handcuff Case, Single, Accumold Elite 7900,Clarino Black, Hidden Snap,P/N:NP351 CL HS / 22297,"Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		22297				
54	461815	Double Magazine Pouch, Accumold Elite 7902,Clarino Black,	EA	$30.6900		
Extended Description:		Double Magazine Pouch, Accumold Elite 7902,Clarino Black, Hidden Snaps, P/N:NP352 CL HS 2 / 25342,"Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		25342				
55	461815	Keeper, Belt, Four Pack, Accumold Elite 7906,Clarino Black,	EA	$10.7000		
Extended Description:		Keeper, Belt, Four Pack, Accumold Elite 7906,Clarino Black, Hidden Snaps, P/N:NP354 CL HS/ 22306,"Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		22306				
56	461815	Holder, Mace /OC, Closed Top, MK-3,Accumold Elite 7907,	EA	$23.1100		
Extended Description:		Holder, Mace /OC, Closed Top, MK-3, Accumold Elite 7907, Clarino Black, Hidden Snap, P/N:NP355 CL HS/22308, "Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		22308				
57	461815	Holder, Mace /OC, Closed Top, MK-4, Accumold Elite 7907,	EA	$23.1100		
Extended Description:		Holder, Mace /OC, Closed Top, MK-4, Accumold Elite 7907, Clarino Black, Hidden Snap, P/N:NP356 CL HS/22310, "Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		22310				
58	461815	Holder, Flashlight, Compact, Covered, Accumold Elite 7911	EA	$23.4500		
Extended Description:		Holder, Flashlight, Compact, Covered, Accumold Elite 7911,Clarino Black, Hidden Snap, P/N:LR124 BLK CL HS/24037,"Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		24037				
59	461815	Holder, Glove, Holds Two Pair of Latex Gloves, Accumold Elit	EA	$19.3800		
Extended Description:		Holder, Glove, Holds Two Pair of Latex Gloves, Accumold Elite 7915,Clarino Black, Hidden Snap, P/N:NP359 CL HS/22318,"Bianchi"				
Manufacturer:		BIANCHI				
Mfr Part No.:		22318				
60	461815	Holster, Level III Retention, Clarino Black, RH Glock 17/22	EA	$120.0300		
Extended Description:		Holster, Level III Retention, Clarino Black, RH Glock 17/22 w/ Light Mount, P/N:ZW048 CRH 832/6360-832-91, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-832-91				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
61	461815	Holster, Level III Retention, Clarino Black, LH Glock 17/22	EA	$120.0300		
Extended Description:		Holster, Level III Retention, Clarino Black, LH Glock 17/22 w/ Light Mount, P/N:ZW048 CLH 832/6360-832-92, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-832-92				
62	461815	Holster, Level III Retention, Clarino Black, RH Glock 17/22	EA	$120.0300		
Extended Description:		Holster, Level III Retention, Clarino Black, RH Glock 17/22 w/ Light Mount, P/N:ZW807 CRH 832/6365-832-91, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6365-832-91				
63	461815	Holster, Level III Retention, Clarino Black, LH Glock 17/22	EA	$120.0300		
Extended Description:		Holster, Level III Retention, Clarino Black, LH Glock 17/22 w/ Light Mount, P/N:ZW807 CLH 832/6365-832-92, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6365-832-92				
64	461815	Holster, Level III Retention, Clarino Black, RH Glock 17/22	EA	$116.5300		
Extended Description:		Holster, Level III Retention, Clarino Black, RH Glock 17/22 , P/N:ZW048 CRH 83/6360-83-91, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-83-91				
65	461815	Holster, Level III Retention, Clarino Black, LH Glock 17/22	EA	$116.5300		
Extended Description:		Holster, Level III Retention, Clarino Black, LH Glock 17/22, P/N:ZW048 CLH 83/6360-83-92, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-83-92				
66	461815	Holster, Level III Retention, Clarino Black, RH Glock 17/22	EA	$116.5300		
Extended Description:		Holster, Level III Retention, Clarino Black, RH Glock 17/22, P/N:ZW807 CRH 83/6365-83-91, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6365-83-91				
67	461815	Holster, Level III Retention, Clarino Black, LH Glock 17/22	EA	$116.5300		
Extended Description:		Holster, Level III Retention, Clarino Black, LH Glock 17/22, P/N:ZW807 CLH 83/6365-83-92, "Safariland"				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6365-83-92				
68	461815	Radio Holder, Clarino , P/N:CL-A588-BP-LAPD, "Aker"	EA	$54.0900		
Extended Description:		Radio Holder, Clarino , P/N:CL-A588-BP-LAPD, "Aker"				
Manufacturer:		AKER				
69	461815	Point Blank International with WARSOC Buckles, Carrier	EA	$338.0000		
Extended Description:		Point Blank International with WARSOC Buckles, Carrier, P/N: IHCMOOBVOJ GALLS P/N: BL783				
Manufacturer:		POINT BLANK				
Mfr Part No.:		IHCMOOBVOJ				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
70	461815	Point Blank International with Velcro, Carrier Only	EA	$198.0000		
Extended Description:		Point Blank International with Velcro, Carrier Only, P/N: IN1MOOBVOJ GALLS P/N: BP1004				
Manufacturer:		POINT BLANK				
Mfr Part No.:		IN1MOOBVOJ				
71	461815	Point Blank AXBIIIA Concealable Panels Only, No Carrier	EA	$619.0000		
Extended Description:		Point Blank AXBIIIA Concealable Panels Only, No Carrier, P/N: MC1ABDBSOH GALLS P/N: BP1432				
Manufacturer:		POINT BLANK				
Mfr Part No.:		MC1ABDBSOH				
72	461815	Point Blank International Collar with AXBIIIA Ballistics	EA	$55.0000		
Extended Description:		Point Blank International Collar with AXBIIIA Ballistics, P/N: C01ABDCSOJ GALLS P/N: BP2598				
Manufacturer:		POINT BLANK				
Mfr Part No.:		C01ABDCSOJ				
73	461815	Point Blank International Throat with AXBIIIA Ballistics	EA	$57.0000		
Extended Description:		Point Blank International Throat with AXBIIIA Ballistics, P/N: TP1ABDCSOJ GALLS P/N: BP2599				
Manufacturer:		POINT BLANK				
Mfr Part No.:		TP1ABDCSOJ				
74	461815	Point Blank International Cummerbund with AXBIIIA Ballistics	EA	$231.0000		
Extended Description:		Point Blank International Cummerbund with AXBIIIA Ballistics, P/N: IHCMADSWOH GALLS P/N: BP2603				
Manufacturer:		POINT BLANK				
Mfr Part No.:		IHCMADSWOH				
75	461815	Point Blank International Biceps with AXBIIIA Ballistics	EA	$332.0000		
Extended Description:		Point Blank International Biceps with AXBIIIA Ballistics, Set of 2, P/N: BI1ABDCSOJ GALLS P/N: BP2601				
Manufacturer:		POINT BLANK				
Mfr Part No.:		BI1ABDCSOJ				
76	461815	Point Blank International Groin with AXBIIIA Ballistics	EA	$186.0000		
Extended Description:		Point Blank International Groin with AXBIIIA Ballistics, P/N: GP1ABDCSOJ GALLS P/N: BP2602				
Manufacturer:		POINT BLANK				
Mfr Part No.:		GP1ABDCSOJ				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
77	461815	Point Blank International Trapezius with AXBIIIA Ballistics	EA	$203.0000		
Extended Description:		Point Blank International Trapezius with AXBIIIA Ballistics, Set of 2, P/N: PA2ABDBSOJ GALLS P/N: BP2600				
Manufacturer:		POINT BLANK				
Mfr Part No.:		PA2ABDBSOJ				
78	461815	Point Blank Five-Pouch Bundle for Outer Carrier Attachment	EA	$131.0000		
Extended Description:		Point Blank Five-Pouch Bundle of Pouches for Attachment to Outer Carrier, LAPD KIT POUCHES GALLS P/N: BP2604				
Manufacturer:		POINT BLANK				
Mfr Part No.:		LAPD KIT POUCHES				
79	461815	Point Blank OMEGA Plate 7" x 9"	EA	$297.9500		
Extended Description:		Point Blank OMEGA Plate 7" x 9", P/N: PLT018ECRN GALLS P/N: BP1481				
Manufacturer:		POINT BLANK				
Mfr Part No.:		PLT018ECRN				
80	461815	Point Blank OMEGA Plate 10" x 12"	EA	$511.9500		
Extended Description:		Point Blank OMEGA Plate 1 0" x 12", P/N: PLT020ECSN GALLS P/N: BP1442				
Manufacturer:		POINT BLANK				
Mfr Part No.:		PLT020ECSN				
81	461815	Holster, Model 6360, Smith & Wesson, RH, P/N: 6360-2192-61	EA	$116.5300		
Extended Description:		Holster, Model 6360, Level III Retention, Plain, Black, RH, Smith & Wesson, P/N: 6360-2192-61, Safariland GALLS P/N: LP415 PRH 2192				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-2192-61				
82	461815	Holster, Model 6360, Smith & Wesson, LH, P/N: 6360-2192-62	EA	$116.5300		
Extended Description:		Holster, Model 6360, Level III Retention, Plain, Black, LH, Smith & Wesson, P/N: 6360-2192-62, Safariland GALLS P/N: LP415 PLH 2192				
Manufacturer:		SAFARILAND				
Mfr Part No.:		6360-2192-62				
83	461815	Radio Holder, for Motorola XTS5000 Radio, Plain, Black	EA	$42.4800		
Extended Description:		Radio Holder, for Motorola XTS5000 radio, Plain, Black, P/N: Z588-BP-LAPD, Aker GALLS P/N: LR853L				
Manufacturer:		AKER				
Mfr Part No.:		Z588-BP-LAPD				

Line	Commodity Code	CL Description	UOM	Unit Price	Markdown %	Markup %
84	461815	Key Holder, Silent, Accumold Elite 7916, Clarino Black	EA	$21.1500		
Extended Description:		Key Holder, Silent, Accumold Elite 7916, Clarino Black, P/N: 22319, Bianchi GALLS P/N: NP360 BLK CL				
Manufacturer:		BIANCHI				
Mfr Part No.:		22319				
85	461815	Baton Ring, Accumold Elite 7904, Clarino Black	EA	$8.0000		
Extended Description:		Baton Ring, Accumold Elite 7904, Clarino Black, P/N: 22304, Bianchi GALLS P/N: ZN613 HG				
Manufacturer:		BIANCHI				
Mfr Part No.:		22304				
86	461815030229	HOOD,SPIT SOCK,TRANZPORT HOOD,SAFARILAND 8320-0-2C,NO SUBS	PK	$34.5600		
Extended Description:		HOOD,SPIT SOCK,TRANZPORT HOOD,SAFARILAND 8320-0-2C,NO SUBSTITUTIONS				
Manufacturer:		SAFARILAND				
Mfr Part No.:		8320-0-2C				
87	461815	Helmet, Ballistic, Black, P/N: HLMDIALFM00, Point Blank	EA	$278.8500		
Extended Description:		Helmet, Ballistic, Full-cut, 7-Pads, BOA Dial Harness, Suspension System, Black, All Sizes, P/N: HLMDIALFM00, Point Blank Galls P/N: TE2377				
Manufacturer:		POINT BLACK				
Mfr Part No.:		HLMDIALFM00				
88	461815	Face Shield, Mount System, For MICH Helmet, P/N: 5800515	EA	$58.5000		
Extended Description:		Face Shield, Mount System, Universal, For MICH Helmets, 6-inch Shield, DK6-H-150S, P/N: 5800515, Paulson Galls P/N: TE104				
Manufacturer:		PAULSON				
Mfr Part No.:		5800515				

Authorized By

Annual Requirements Contract Clauses, Terms, and Conditions

Line Item Provisions

Clauses and Comments on PDF

Document Provisions

Section intentionally left blank.

Supporting Documents

Section intentionally left blank.

INTENTIONALLY LEFT BLANK TO ADD CLAUSES AND COMMENTS.

615 8th Street • O'Donnell, TX 79351 Ofc: 806-428-3239 • Fax: 806-428-3440

February 1, 2021

OD Security North America LLC
John Shannon, Pres
501 Graham Road
College Station, Texas 77845
john.shannon@ODSecurityNA.com

Subject: PURCHASING COOPERATIVE OF AMERICA CONTRACT AWARD LETTER
PCA OD-337-21 Fire, Safety, Security, Surveillance, Equipment, Service & Related Items

Dear Mr. Shannon,

Congratulations! The City of O'Donnell has awarded your company a contract for the above-referenced solicitation. Your contract number will be the same as the solicitation number: PCA RFQ OD-337-21. The contract number is to be on all Invoices for proper reporting.

You are responsible for keeping PCA up to date with your current contact information and for submitting monthly reports. For months with inactivity, complete the company/contact information and simply input 'No Activity'. We send out the Members list monthly, in response to your organization emailing the monthly report.

The contract is effective for the dates on the Contract Acceptance and Signatures Page and may be renewed up to four (4) additional years; unless notified otherwise, the renewal will be automatic. For any inquiries about your contract, please contact pcamerica@pcamerica.org & we will assist you!

We will contact you for an orientation meeting and for content for your vendor page on the PCA web site. PCA looks forward to working with you!

Sincerely,

Kim Parker

Kim Parker, Mayor
City of O'Donnell

The award packet includes:

- Award Letter
- Signed Contract Acceptance and Signatures Page
- Instructions for Monthly Report and Administrative Fee Tab 3
- Monthly Report Form & Instructions

Form B – Contract Acceptance and Signatures

Must be signed at Submission of Proposal

Acceptance and Exceptions

The undersigned Vendor acknowledges that he/she has examined this solicitation, the accompanying forms and contract terms and conditions, and scope and specifications associated with this solicitation.

The undersigned Vendor hereby agrees to furnish products and/or services in strict compliance with the terms, specifications, and conditions of the solicitation, the Contract, and the Vendor's response.

The undersigned certifies that he or she is an officer of the company and has authority to negotiate and contract for the company named below and meets/agrees with all of the terms and conditions of this Contract and the solicitation.

☑ No Exceptions. In the absence of any exception entry on this form, the Vendor assures Awarding Agency of their full compliance with the solicitation, the accompanying forms and contract terms and conditions, scope and specifications associated with this solicitation.

☐ Exceptions as Listed on Attached Page(s). ANY AND ALL EXCEPTIONS TO THE CONTRACT TERMS AND CONDITIONS OF THIS CONTRACT MUST BE NOTED ON THE COMPLIANCE AND EXCEPTIONS FORM AND REFERENCE THE SPECIFIC TERM/CONDITION. NO OTHER EXCEPTIONS TO THE CONTRACT TERMS AND CONDITIONS WILL BE CLAIMED.

Awarding Agency will consider any exceptions during contract award evaluation and reserves the right to accept or reject any and all responses based on any exception indicated.

Company Name: OD SECURITY NORTH AMERICA LLC

Address: 501 GRAHAM ROAD

City/State/Zip Code: COLLEGE STATION TEXAS 77845

Phone: (979) 777-1331 Email: john.shannon@ODSecurityNA.com

Authorized Company Signature

Date: 1/8/21

Printed Name, Title: JOHN SHANNON PRESIDENT

Acceptance by Awarding Agency

Term of Contract 2/1/21 to 1/31/22

Unless otherwise stated, this Contract is for a period of one (1) year with an option to renew annually for an additional four (4) years if agreed upon by Awarding Agency and Vendor. Unless informed otherwise, the renewal shall be automatic on anniversary date. **Vendor shall honor all administrative fees for any sales resulting from this Contract whether Vendor is awarded a renewal or not.**

Kim Parker

Awarding Agency Authorized Signature

2-1-21

Date

Printed Name: Kim Parker

Monthly Vendor Reporting
Vendor shall provide PCA with a detailed monthly report and pro forma showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel, in the format and with the information specified by PCA. Reports are due on the **fifteenth (15) day of the month,** after the close of the previous month and shall provide information regarding Purchase Orders and Job Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all Members and submitting **one (1)** consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order with scheduled start and completion date, Purchase Order number, Member name, city/town, and Purchase Order total dollar amount. The monthly report shall also include an overview of pending projects and purchase/job orders.

After a PCA Member signs a Purchase Order, the awarded Vendor shall submit a copy of the Purchase Order and/or supplemental agreement, if any, to PCA along with the mandatory monthly report with any change orders made prior to project completion.

Reports shall be submitted in Excel format to Purchasing Cooperative of America at P.O. Box 604, Hico, Texas 76457, or electronically to Reports@pcamerica.org. The Monthly Report Form is at www.pcamerica.org on the Forms Tab. Copies of signed purchase orders and supplemental contracts shall be turned into PCA along with the Monthly Report.

Administration Fee

- The PCA Administrative Fee stated in the solicitation will be based on total sales made through this Contract.
- Vendor shall honor and pay the Administration Fee for any sales resulting from this Contract that occurred within **thirty (30) days** at the completion of on-going work.
- Vendor shall pay PCA the contracted fee for monthly progress payments and/or at project completion within **thirty (30) days.**
- Failure to pay the Administrative Fee in a timely manner may result in Vendor's breach of this Contract and may result in suspension or termination of this Contract.
- In the event that Vendor's contract expires or is terminated, Vendor agrees to pay the Administrative Fee for any projects extending beyond the expiration or termination date as those Purchase/ Delivery/Job Orders received prior to the expiration or termination are completed within **thirty (30) days** of the project or purchase order close out.
- Vendor must maintain a good record for compliance under the contract, timely reporting, and prompt payment of Administrative Fees.
- Vendor shall make the check payable to "Purchasing Cooperative of America"; and send check to Purchasing Cooperative of America, P.O. Box 604, Hico, TX 76457.
- If convenient for the Vendor, the check may be mailed with the monthly report

The Administrative Fee for this solicitation is two (2) percent, unless otherwise stated in Tab 6 Pricing.

Additional Fees and Reporting Information
Some states and other government/non-profit agencies require an additional fee to use another state's or agency's contracts in their jurisdiction. If an additional fee is requested and Vendor agrees, Vendor shall submit copies of the purchase orders involved and pay the additional fee to PCA who will then pay the entity involved. Additional fees must be discussed with PCA prior to acceptance of additional fee charges.

Awarded Contractors may not use PCA contract to request a contract from another agency or purchasing cooperative without the written approval of PCA as a requirement under *Section 791 of the Texas Government Code*. To do so without PCA written approval will automatically violate the provisions of this contract resulting in its immediate cancellation. Other cooperatives desiring to utilize PCA contracts must sign an Interlocal Agreement or contract with PCA defining the contract's use and PCA payment requirements. Some non-Texas Governmental Jurisdictions do not require an Interlocal Governmental Contract and may join PCA without one by signing up on line.

If this contract is adopted by another cooperative or entity, the Awarded Contractor (Vendor) for this contract is still responsible for PCA fees based on the work performed for that entity, cooperative and/or that cooperative's Members. All such work shall be reported on the PCA Monthly Report and fees paid accordingly.

MONTHLY REPORT

Please complete all fields.

PCA
Purchasing Cooperative of America

Name-Awarded Contractor: _____

Contract Number: _____

Report Mo./Yr.: _____

ADMIN FEE: _____

Contact Name: _____

Phone Number: _____

email: _____

CURRENT PROJECT TOTALS:

#	PROJECT DESCRIPTION	MEMBER/ CUSTOMER NAME	CITY STATE	** PURCHASE ORDER #	PROJECT DATES		P.O. AMOUNT	INVOICE AMOUNT	TOTAL EST. ADMIN FEE	FEE PER INVOICE	VENDOR CHECK TO PCA	
					START	END					DATE	AMOUNT
1.												
2.												
3.												
4.												
5.												
6.												
7.												

PENDING/FUTURE PROJECTS:

Would you like a confirmation of receipt of PCA fee payment? **Yes** **No**

#	PROJECT DESCRIPTION	MEMBER/ CUSTOMER NAME	CITY STATE	ESTIMATED PROJECT TOTAL	EST. PROJECT DATES		NOTES	Attach copies of POs/Invoices of current projects & put check in mail to PCA PO Box Address below
					START	END		
1.								
2.								
3.								
4.								

** **Attach copies of Purchase Order(s).**
Please use additional pages as necessary.

Also located here: www.pcamerica.org/forms

Send CHECKS to PCA, PO Box 604, Hico, TX 76457

Questions? Call 844-722-6374

Rev 12/20

INSTRUCTIONS FOR FILLING OUT PCA MONTHLY REPORTS

MONTHLY REPORT **EXAMPLE REPORT**

PCA Purchasing Cooperative of America

Please complete all fields.

Name-Awarded Contractor: ABC Company
Contact Name: Alpha Beta
Contract Number: PCA X-XXX-XX
Phone Number: 111-222-3333
Report Mo./Yr.: December 2019
email: ABC@ABCompany.abc
ADMIN FEE: #%

CURRENT PROJECT TOTALS:

#	PROJECT DESCRIPTION	MEMBER/ CUSTOMER NAME	CITY STATE	** PURCHASE ORDER #	PROJECT DATES START	PROJECT DATES END	P.O. AMOUNT	INVOICE AMOUNT	TOTAL EST. ADMIN FEE	FEE PER INVOICE	VENDOR CHECK TO PCA DATE	VENDOR CHECK TO PCA AMOUNT
1.	Walkway	School-Name ISD	Houston, TX	BD #1357	12/1/2019	12/30/2019	$ 100,000		$ 2,000.00			
	Progress payment for above project							$ 50,000		$ 1,000.00	12/15/2020	$ 1,000.00
	Additional upgrade to walkway	School-Name ISD	Houston, TX	BD #1357 change order	12/18/2019	12/30/2019	$ 5,000	$ 5,000	$ 100.00	$ 100.00	COMPLETE	$ 1,100.00
	Final Payment							$ 50,000		$ 1,000.00	12/30/2020 COMPLETE	
2.	Stadium Lighting	Different School-Name ISD	Dallas, TX	#453EN	12/1/2019	12/15/2019	$ 25,000	$ 25,000	$ 500.00	$ 500.00	12/15/2020 COMPLETE	$ 500.00
3.	JOC Rehab-Annex	Municipality Name	Hildalgo, TX	#10022	2/12/2019	6/30/2019	$ 250,000		$ 5,000.00			
4.												

PENDING/FUTURE PROJECTS: Would you like a confirmation of receipt of PCA fee payment? **Yes** **No**

#	PROJECT DESCRIPTION	MEMBER/ CUSTOMER NAME	CITY STATE	ESTIMATED PROJECT TOTAL	EST. PROJECT DATES START	EST. PROJECT DATES END	NOTES
1.	Renovation City Hall	El Paso, City of	El Paso, TX	$ 11,000	8/1/2019	10/30/2019	waiting on PO
2.							
3.							
4.							

Attach copies of POs/Invoices of current projects & put check in mail to PCA PO Box Address below

** Attach copies of Purchase Order(s). Please use additional pages as necessar

Also on http://www.pcamerica.org/forms

Questions? Call 844-722-6374

Send CHECKS to: PCA, PO Box 604, Hico, TX 76457

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Rev 12/20

Fill in the CURRENT PROJECT section with active approved P.O.s. If None, report NO ACTIVITY.

Copies of purchase orders are supplemental to your contract and may be attached to the Monthly Report or sent to PCA separately. **ALL POs / Invoices should reference contract number.**

For purchase orders that have mobilization (project start-up) or progress payments, list these payments on separate lines and pay the PCA fee as instructed in the contract.

Add any P.O. changes, additional work or items that qualify to be added to the P.O. on additional lines. Send copy of P.O. extension to PCA.

Include DATE of check approval. PCA understands that accounting may take several more days to process a request for payment. Add COMPLETE if project or P.O. has been completed.

All Admin Fees shall be paid upon receipt of vendor payment.

Use the notes section to convey any important or informational items.

Pending or possible future projects or purchase orders shall be listed here. When approved and signed P.O. is received, move to the Current Project section.

If purchase order is not received or project is cancelled, remove from list. There is no reason to continue to report.

The Monthly Report Form is located: http://www.pcamerica.org/forms for download

RESOLUTION NO. 22-81
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand No.1538, consisting of 13 pages, and including:

Warrant No.

General: Checks No.597470 through; 597704
ACH No. 2762 through; 2920

Successor Agency: Check No. 1494 through; 1494

On file in the office of the City Clerk, the same having been audited and approved by the Assistant Director of Finance as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

_____

_____

_____

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

APPROVED AND ADOPTED this 28th day of September 2022.

_____
Kimberly A. Cobos-Cawthorne, Mayor

ATTEST: **APPROVED AS TO FORM:**

_____ _____

Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No.22-81 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 28th day of September 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____ _____
Christopher Jimenez, City Clerk

- Exhibit A – Warrant Register

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
4331	- General Account				
2762	09/01/2022	$299.00	SUPPLIES	3163	BANK OF AMERICA
2763	09/01/2022	$298.96	SUPPLIES	3163	BANK OF AMERICA
2764	09/01/2022	$78.61	FUEL	3163	BANK OF AMERICA
2765	09/01/2022	$93.97	FUEL	3163	BANK OF AMERICA
2766	09/01/2022	$342.49	FUEL	3163	BANK OF AMERICA
2767	09/01/2022	$139.00	TRAINING	3163	BANK OF AMERICA
2768	09/01/2022	$452.48	CONTRACT SERVICES	3163	BANK OF AMERICA
2769	09/01/2022	$113.11	SUPPLIES	3163	BANK OF AMERICA
2770	09/01/2022	$85.41	FUEL	3163	BANK OF AMERICA
2771	09/01/2022	$176.54	FUEL	3163	BANK OF AMERICA
2772	09/01/2022	$542.15	SUPPLIES	3163	BANK OF AMERICA
2773	09/01/2022	$61.48	FUEL	3163	BANK OF AMERICA
2774	09/01/2022	$300.38	SUPPLIES	3163	BANK OF AMERICA
2775	09/01/2022	$1,014.39	SUPPLIES	3163	BANK OF AMERICA
2776	09/01/2022	$226.71	FUEL	3163	BANK OF AMERICA
2777	09/01/2022	$1,787.39	TRAINING	3163	BANK OF AMERICA
2778	09/01/2022	$1,988.71	SUPPLIES	3163	BANK OF AMERICA
2779	09/01/2022	$4,802.61	SUPPLIES	3163	BANK OF AMERICA
2780	09/01/2022	$421.43	SUPPLIES	3163	BANK OF AMERICA
2781	09/01/2022	$928.58	SUPPLIES	3163	BANK OF AMERICA
2782	09/01/2022	$348.96	SUPPLIES	3163	BANK OF AMERICA
2783	09/01/2022	$165.00	SUPPLIES	3163	BANK OF AMERICA
2784	09/01/2022	$204.52	SUPPLIES	3163	BANK OF AMERICA
2785	09/01/2022	$460.08	SUPPLIES	3163	BANK OF AMERICA
2786	09/01/2022	$208.28	SUPPLIES	3163	BANK OF AMERICA
2787	09/01/2022	$4,832.24	SUPPLIES	3163	BANK OF AMERICA
2788	09/01/2022	$802.45	SUPPLIES	3163	BANK OF AMERICA
2789	09/01/2022	$5,930.40	SUPPLIES	3163	BANK OF AMERICA
2790	09/01/2022	$215.64	FUEL	3163	BANK OF AMERICA

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
2791	09/01/2022	$380.27	FUEL	3163	BANK OF AMERICA
2792	09/01/2022	$9,466.92	VEHICLE MAINTENANCE/EXPENSES	3163	BANK OF AMERICA
2793	09/01/2022	$240.94	FUEL	3163	BANK OF AMERICA
2794	09/01/2022	$1,859.89	SUPPLIES	3163	BANK OF AMERICA
2795	09/01/2022	$4,364.98	TRAINING	3163	BANK OF AMERICA
2796	09/01/2022	$24.00	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
2797	09/01/2022	$595.00	TRAINING	3163	BANK OF AMERICA
2798	09/01/2022	$29,297.00	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING INC
2799	09/01/2022	$9,254.49	UNIFORM EXPENSE	20350	ALLSTAR FIRE EQUIPMENT INC
2800	09/01/2022	$235.45	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
2801	09/01/2022	$3,811.77	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
2802	09/01/2022	$3,169.48	CONTRACT SERVICES	3588	ANTHONYS PORTABLE RESTROOMS INC
2803	09/01/2022	$171.99	SUPPLIES	35980	SAEED RADMEHR
2804	09/01/2022	$1,327.33	VEHICLE MAINTENANCE/EXPENSES	1101	BLACK AND WHITE EMERGENCY VEHICLES LLC
2805	09/01/2022	$71,198.02	WATER PURCHASE RESALE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
2806	09/01/2022	$1,013.64	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
2807	09/01/2022	$237.28	SUPPLIES	3108	MARIO ESPINOSA
2808	09/01/2022	$849.92	CONTRACT SERVICES	2057	EVERNORTH BEHAVIORAL HEALTH
2809	09/01/2022	$4,120.00	CDBG-CV	3169	FOOTHOLD TECHNOLOGY INC
2810	09/01/2022	$11,167.92	CONTRACT SERVICES	1175	GRAPHIC ELECTRIC INC
2811	09/01/2022	$870.00	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT INC
2812	09/01/2022	$2,649.47	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC
2813	09/01/2022	$69,690.77	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
2814	09/01/2022	$329.53	SUPPLIES	48610	CRYSTAL JAIMEZ
2815	09/01/2022	$1,612.00	CONTRACT SERVICES	1612	JCL TRAFFIC SERVICES
2816	09/01/2022	$3,553.73	CONTRACT SERVICES	2152	JOHNSON CONTROLS INC
2817	09/01/2022	$527.99	EDUCATION REIMBURSEMENT	2704	JACQUELINE LEON
2818	09/01/2022	$872.50	CONTRACT SERVICES	16760	LIEBERT CASSIDY WHITMORE
2819	09/01/2022	$14,599.31	SUPPLIES	26670	LIFE-ASSIST INC
2820	09/01/2022	$111,992.84	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
2821	09/01/2022	$56,833.67	CONTRACT SERVICES	2940	OCEAN BLUE ENVIRONMENTAL SERVICES INC
2822	09/01/2022	$12,050.12	MACHINERY & EQUIPMENTS	54240	PDQ ENTERPRISES INC

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
2823	09/01/2022	$96,219.20	IMPROVEMENTS OTHER THAN BUILDING	2382	SAFE USA INC
2824	09/01/2022	$6,429.25	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
2825	09/01/2022	$49,778.26	FUEL INVENTORY	1059	AMBER RESOURCES LLC
2826	09/01/2022	$406.37	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
2827	09/01/2022	$980.00	CONTRACT SERVICES	47600	NEXUS HOLDING LLC
2828	09/08/2022	$80.01	FUEL	3163	BANK OF AMERICA
2829	09/08/2022	$709.98	TRAINING	3163	BANK OF AMERICA
2830	09/08/2022	$1,020.17	TRAINING	3163	BANK OF AMERICA
2831	09/08/2022	$1,451.57	SUPPLIES	3163	BANK OF AMERICA
2832	09/08/2022	$825.30	SUPPLIES	3163	BANK OF AMERICA
2833	09/08/2022	$1,162.54	SUPPLIES	3163	BANK OF AMERICA
2834	09/08/2022	$1,599.55	SUPPLIES	3163	BANK OF AMERICA
2835	09/08/2022	$1,349.57	SUPPLIES	3163	BANK OF AMERICA
2836	09/08/2022	$4,570.78	SUPPLIES	3163	BANK OF AMERICA
2837	09/08/2022	$3,695.37	SUPPLIES	3163	BANK OF AMERICA
2838	09/08/2022	$1,989.27	SUPPLIES	3163	BANK OF AMERICA
2839	09/08/2022	$1,395.00	RETIREMENT	3730	AT RETIREMENT SERVICES LLC
2840	09/08/2022	$315,697.50	PENSION/RETIREMENT PAYABLE	17	CAL PERS
2841	09/08/2022	$442,042.15	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
2842	09/08/2022	$18,279.28	ADVERTISING/PRINTING SERVICES	2689	ACRO PRINTING INC
2843	09/08/2022	$274,772.20	IMPROVEMENTS OTHER THAN BUILDING - PAVING THE WAY	37720	ADVANCED APPLIED ENGINEERING INC
2844	09/08/2022	$458.30	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
2845	09/08/2022	$4,971.18	SUPPLIES	62880	AMERICAN MARKER
2846	09/08/2022	$41,237.92	CONTRACT SERVICES	3016	ANTARES GOLF LLC
2847	09/08/2022	$1,346.77	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
2848	09/08/2022	$326.90	UNIFORM EXPENSE	3560	ENTENMANN-ROVIN CO
2849	09/08/2022	$1,350.00	CONTRACT SERVICES	71920	TOYETTA L BEUKES
2850	09/08/2022	$5,829.16	CONTRACT SERVICES	2152	JOHNSON CONTROLS INC
2851	09/08/2022	$522,214.37	CONTRACT SERVICES	2954	MANHOLE ADJUSTING INC
2852	09/08/2022	$85,278.70	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
2853	09/08/2022	$20,000.00	CONTRACT SERVICES	61050	REDFLEX TRAFFIC SYSTEMS
2854	09/08/2022	$37,182.26	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
2855	09/08/2022	$37,480.80	IMPROVEMENTS OTHER THAN BUILDING	2382	SAFE USA INC
2856	09/08/2022	$8,699.63	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
2857	09/08/2022	$1,447.61	FUEL	1059	AMBER RESOURCES LLC
2858	09/15/2022	$3,959.20	SUPPLIES	3163	BANK OF AMERICA
2859	09/15/2022	$135.59	SUPPLIES	3163	BANK OF AMERICA
2860	09/15/2022	$25.00	SUPPLIES	3163	BANK OF AMERICA
2861	09/15/2022	$431.14	SUPPLIES	3163	BANK OF AMERICA
2862	09/15/2022	$275.15	SUPPLIES	3163	BANK OF AMERICA
2863	09/15/2022	$24.00	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
2864	09/15/2022	$695.00	TRAINING	3163	BANK OF AMERICA
2865	09/15/2022	$7,500.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC
2866	09/15/2022	$36,288.75	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING INC
2867	09/15/2022	$2,307.50	CONTRACT SERVICES	38010	ADVANCED AVANT-GARDE CORPORATION
2868	09/15/2022	$21,051.43	IMPROVEMENTS OTHER THAN BUILDING	3411	AIM CONSULTING SERVICES
2869	09/15/2022	$3,802.74	UNIFORM EXPENSE	20350	ALLSTAR FIRE EQUIPMENT INC
2870	09/15/2022	$0.00	VOID	16120	ALVAREZ-GLASMAN & COLVIN
2871	09/15/2022	$20,990.13	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
2872	09/15/2022	$2,337.12	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
2873	09/15/2022	$400.00	CONTRACT SERVICES	2365	LETICIA TORRES
2874	09/15/2022	$360,937.60	CONTRACT SERVICES	40970	ARAKELIAN ENTERPRISES
2875	09/15/2022	$1,476.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
2876	09/15/2022	$5,022.43	CONTRACT SERVICES	2102	JOHN P BEROKOFF
2877	09/15/2022	$20.00	CARPOOL INCENTIVE	3809	SAMANTHA CHENELIA
2878	09/15/2022	$4,262.74	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
2879	09/15/2022	$1,336.65	CONTRACT SERVICES	21690	COLUMBIA BUSINESS FORMS INC
2880	09/15/2022	$29,365.00	CONTRACT SERVICES	3025	COMPLETE LANDSCAPE CARE INC
2881	09/15/2022	$40.00	SUPPLIES	3108	MARIO ESPINOSA
2882	09/15/2022	$6,333.10	LEASE PAYMENT	74920	EXECUTIVE CAR LEASING COMPANY
2883	09/15/2022	$40.00	CARPOOL INCENTIVE	3384	ALICIA FERNANDEZ
2884	09/15/2022	$34.00	CONTRACT SERVICES	23660	DAIOHS USA
2885	09/15/2022	$40.00	CARPOOL INCENTIVE	2572	MARLENE GIL
2886	09/15/2022	$1,170.00	CONTRACT SERVICES	2956	GLADWELL GOVERNMENTAL SERVICES INC

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
2887	09/15/2022	$40.00	CARPOOL INCENTIVE	3123	NEIRA YESSIE GRANADOS
2888	09/15/2022	$118.92	CONTRACT SERVICES	1175	GRAPHIC ELECTRIC INC
2889	09/15/2022	$1,957.38	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT INC
2890	09/15/2022	$40.00	CARPOOL INCENTIVE	3196	MICAH HERD
2891	09/15/2022	$40.00	CARPOOL INCENTIVE	4280	NADINE HERNANDEZ
2892	09/15/2022	$1,025,218.18	MACHINERY & EQUIPMENTS	2793	IBE DIGITAL
2893	09/15/2022	$40.00	CARPOOL INCENTIVE	3707	KEVORK KALAYCI
2894	09/15/2022	$1,721.93	SUPPLIES	26670	LIFE-ASSIST INC
2895	09/15/2022	$20.00	CARPOOL INCENTIVE	3810	ALEXIS LUCERO
2896	09/15/2022	$80.00	CARPOOL INCENTIVE	71590	LUZ MARIA
2897	09/15/2022	$13,082.50	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS INC
2898	09/15/2022	$58,098.25	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
2899	09/15/2022	$40.00	CARPOOL INCENTIVE	2203	SAMANTHA NEVAREZ
2900	09/15/2022	$17,220.00	CONTRACT SERVICES	3028	ONWARD ENGINEERING
2901	09/15/2022	$40.00	CARPOOL INCENTIVE	59960	JO ANN PANOSIAN
2902	09/15/2022	$38,484.00	CONTRACT SERVICES	42180	PCAM LLC
2903	09/15/2022	$805.00	CONTRACT SERVICES	54240	PDQ ENTERPRISES INC
2904	09/15/2022	$40.00	CARPOOL INCENTIVE	3089	NATALIE RAMIREZ
2905	09/15/2022	$40.00	CARPOOL INCENTIVE	3712	MATTHEW ROBERT RAMOS
2906	09/15/2022	$245.72	SUPPLIES	1120	BLUETRITON BRANDS INC
2907	09/15/2022	$5,582.05	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
2908	09/15/2022	$40.00	CARPOOL INCENTIVE	69960	NICOLE I SAUCEDO
2909	09/15/2022	$42,325.38	FUEL INVENTORY	1059	AMBER RESOURCES LLC
2910	09/15/2022	$30.00	CARPOOL INCENTIVE	2985	KEVIN SAYCOCIE
2911	09/15/2022	$40.00	CARPOOL INCENTIVE	24280	MARTIN SOLANO
2912	09/15/2022	$40.00	CARPOOL INCENTIVE	3001	MICHAEL SOLORZA
2913	09/15/2022	$206.27	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
2914	09/15/2022	$40.00	CARPOOL INCENTIVE	3053	MICHAEL TELLES
2915	09/15/2022	$31,104.00	CONTRACT SERVICES	3133	ULTIMATE MAINTENANCE SERVICE
2916	09/15/2022	$69.18	CONTRACT SERVICES	57140	UNDERGROUND SERVICE ALERT OF SOUTHERN CA
2917	09/15/2022	$7,000.00	CONTRACT SERVICES	3433	VECTIS DC LLC
2918	09/15/2022	$2,305.76	CONTRACT SERVICES	47600	NEXUS HOLDING LLC

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
2919	09/15/2022	$3,705.79	SUPPLIES	3088	WAXIES ENTERPRISES LLC
2920	09/15/2022	$991.00	CONTRACT SERVICES	183	WECK LABORATORIES ENVIRONMENTAL SERVICES INC
	ACH TOTAL	**$4,209,118.17**			
597470	09/01/2022	$904.62	CONTRACT SERVICES	1674	1st JON INC
597471	09/01/2022	$2,420.00	CONTRACT SERVICES	3633	A TECH CONSULTING INC
597472	09/01/2022	$9,999.99	CONTRACT SERVICES	3557	ADVOCATE INC
597473	09/01/2022	$789.49	UTILITY SERVICES	2257	AIRESPRING INC
597474	09/01/2022	$9,300.00	CONTRACT SERVICES	3751	ALLIED RESTORATION SERVICES INC
597475	09/01/2022	$120.00	PARKS AND RECREATION	3804	ALEJANDRA ASTORGA
597476	09/01/2022	$548.85	UTILITY SERVICES	38380	AT&T
597477	09/01/2022	$10,298.20	UTILITY SERVICES	39550	AT&T
597478	09/01/2022	$60.83	UTILITY SERVICES	39550	AT&T
597479	09/01/2022	$15,810.00	CONTRACT SERVICES	3130	BLAIS & ASSOCIATES LLC
597480	09/01/2022	$4,632.30	FURNITURE & FIXTURES PURCHASES	3033	OFFICE SOLUTIONS BUSINESS PRODUCTS & SERVICES LLC
597481	09/01/2022	$492.94	SUPPLIES	159	BOUND TREE MEDICAL LLC
597482	09/01/2022	$999.99	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597483	09/01/2022	$5,000.00	TRAINING	855	CAREER SURVIVAL GROUP
597484	09/01/2022	$7,204.81	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
597485	09/01/2022	$1,501.90	RETIREMENT	3128	CITY OF BELL GARDENS
597486	09/01/2022	$1,429.22	SUPPLIES	2455	HASA, INC.
597487	09/01/2022	$770.00	MACHINERY & EQUIPMENTS	950	CUMMINS INC
597488	09/01/2022	$785.00	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
597489	09/01/2022	$484.73	SUPPLIES	25660	E-Z GO DIVISION OF TEXTRON
597490	09/01/2022	$2,012.50	CONTRACT SERVICES	3215	EVAN BROOKS ASSOCIATES INC
597491	09/01/2022	$518.42	SUPPLIES	7610	EWING IRRIGATION PRODUCTS
597492	09/01/2022	$217.04	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
597493	09/01/2022	$3,206.14	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
597494	09/01/2022	$244.94	UNIFORM EXPENSE	55650	GALLS LLC
597495	09/01/2022	$40.00	PARKS AND RECREATION	3805	JOSUE GAMBINO
597496	09/01/2022	$70.00	PARKS AND RECREATION	3806	DANIEL GARCIA
597497	09/01/2022	$5,008.65	MACHINERY & EQUIPMENTS	3350	GARVEY EQUIPMENT COMPANY

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597498	09/01/2022	$1,341.52	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
597499	09/01/2022	$100.00	TRAVEL & MEETINGS	3807	VICTOR GONZALEZ
597500	09/01/2022	$8,572.88	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
597501	09/01/2022	$300.00	CONTRACT SERVICES	3599	JOHN H HERNANDEZ
597502	09/01/2022	$1,697.26	VEHICLE MAINTENANCE/EXPENSES	582	HYDRAULIC ELECTRIC INC
597503	09/01/2022	$563.68	CONTRACT SERVICES	2012	ICE MACHINE SALES & SERVICE CO
597504	09/01/2022	$7,982.43	CONTRACT SERVICES	993	IVA SOLUTIONS INC
597505	09/01/2022	$8,400.00	CONTRACT SERVICES	3673	J LEE ENGINEERING INC
597506	09/01/2022	$17,860.00	CONTRACT SERVICES	2942	JAIROS PLUMBING INC
597507	09/01/2022	$1,994.92	LEASE PAYMENT	2405	JCB FINANCE
597508	09/01/2022	$110,000.00	CONTRACT SERVICES	2156	LEED ELECTRIC INC
597509	09/01/2022	$6.00	DUES & SUBSCRIPTIONS	9200	LOS ANGELES COUNTY ASSESSOR OFFICE
597510	09/01/2022	$324.89	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
597511	09/01/2022	$411.00	PERMITS AND FEES	56850	LOS ANGELES COUNTY FIRE DEPARTMENT
597512	09/01/2022	$411.00	PERMITS AND FEES	56850	LOS ANGELES COUNTY FIRE DEPARTMENT
597513	09/01/2022	$1,964.93	CDBG-CV	739	MEXICAN AMERICAN OPPORTUNITY FOUNDATION
597514	09/01/2022	$3,983.75	SUPPLIES	2072	MICROMED DIAMOND SEAL SYSTEMS LLC
597515	09/01/2022	$3,047.12	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
597516	09/01/2022	$10,432.56	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS INC
597517	09/01/2022	$8,691.02	CONTRACT SERVICES	3225	NELSON NYGAARD CONSULTING ASSOC INC
597518	09/01/2022	$350.00	TRAVEL & MEETINGS	58750	JOSE A OCHOA
597519	09/01/2022	$1,335.61	SUPPLIES	15620	OFFICE DEPOT INC
597520	09/01/2022	$2,042.38	FURNITURE & FIXTURES PURCHASES	3530	OFFICE RELIEF INC
597521	09/01/2022	$185.00	CONTRACT SERVICES	2977	BRIAN KEITH FISHER
597522	09/01/2022	$300.00	CONTRACT SERVICES	3750	JENNY PARRA
597523	09/01/2022	$6,254.11	CONTRACT SERVICES	3526	PATH
597524	09/01/2022	$456.06	RETIREMENT	42490	LINDA PAYAN
597525	09/01/2022	$100.00	CONTRACT SERVICES	2709	ERNEST PERALTA
597526	09/01/2022	$70.00	PARKS AND RECREATION	3788	YOLANDA PEREZ
597527	09/01/2022	$85.71	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
597528	09/01/2022	$250.00	GENERAL GOVERNMENT	3801	BRIAN RIOS
597529	09/01/2022	$250.00	GENERAL GOVERNMENT	3802	STEVEN SAKUMA

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597530	09/01/2022	$421.00	TRAINING	43150	SAN BERNARDINO COUNTY SHERIFFS DEPARTMENT
597531	09/01/2022	$7,875.00	DUES & SUBSCRIPTIONS	1415	SAN GABRIEL VALLEY COMMERCE & CITIES CONSORTIUM
597532	09/01/2022	$99,662.47	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO
597533	09/01/2022	$283.00	TRAINING	3448	SAVAGE TRAINING GROUP LLC
597534	09/01/2022	$151.85	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
597535	09/01/2022	$468.76	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
597536	09/01/2022	$49,761.80	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597537	09/01/2022	$257.66	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO
597538	09/01/2022	$12,674.99	UTILITY SERVICES	526	T-MOBILE USA INC
597539	09/01/2022	$1,012.00	CONTRACT SERVICES	71210	STAR-DUST TOURS INC
597540	09/01/2022	$535.60	RETIREMENT	27300	ROBERT C TUFANO
597541	09/01/2022	$7,271.78	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
597542	09/01/2022	$7,217.44	COPIER REPAIR/SERVICES	2747	US BANK EQUIPMENT FINANCE
597543	09/01/2022	$3,897.60	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
597544	09/01/2022	$250.00	GENERAL GOVERNMENT	3803	RUBELINDA VASQUEZ
597545	09/01/2022	$7,216.00	CONTRACT SERVICES	191	VECTOR RESOURCES INC
597546	09/01/2022	$1,069.91	UTILITY SERVICES	23610	VERIZON WIRELESS
597547	09/01/2022	$640.00	CONTRACT SERVICES	3734	AMELIA ELIZABETH WIGNER
597548	09/01/2022	$7,144.20	SUPPLIES	3785	WS DARLEY & CO
597549	09/01/2022	$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
597550	09/01/2022	$350.00	CONTRACT SERVICES	2759	D F POLYGRAPH
597551	09/01/2022	$156.00	CONTRACT SERVICES	8130	RICHARD D JONES A PROFESSIONAL LAW CORP
597552	09/01/2022	$70.00	PARKS AND RECREATION	3668	LUZ SMITH
597553	09/01/2022	$2,271.37	VEHICLE MAINTENANCE/EXPENSES	716	SOUTH BAY FORD INC
597554	09/01/2022	$11,330.82	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
597555	09/01/2022	$650.00	CONTRACT SERVICES	71210	STAR-DUST TOURS INC
597556	09/01/2022	$461.72	SUPPLIES	3110	TOMAS ALVARADO
597557	09/01/2022	$45.00	RECREATION CLASSES	3671	MEGAN TORRES
597558	09/01/2022	$300.00	CONTRACT SERVICES	387	TRANSUNION RISK AND ALTERNATIVE DATA SOLUTIONS INC
597559	09/01/2022	$16,493.40	MACHINERY & EQUIPMENTS	1188	TYLER TECHNOLOGIES INC
597560	09/01/2022	$16,981.32	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
597561	09/01/2022	$7,754.60	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597562	09/01/2022	$375.81	VEHICLE MAINTENANCE/EXPENSES	2701	VARGAS DIESEL INC
597563	09/01/2022	$303.40	SUPPLIES	9470	W W GRAINGER INC
597564	09/01/2022	$310.91	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC
597565	09/01/2022	$6,682.00	CONTRACT SERVICES	51770	WILLDAN FINANCIAL SERVICES
597566	09/08/2022	$1,550.00	CONTRACT SERVICES	3083	AAA FLAG & BANNER MFG CO INC
597567	09/08/2022	$59.03	UTILITY SERVICES	1732	AT&T CORP
597568	09/08/2022	$70.00	PARKS AND RECREATION	3126	NANCY ARAIZA
597569	09/08/2022	$1,725.00	GENERAL GOVERNMENT	3816	PATRICIA ARREOLA
597570	09/08/2022	$555.18	UTILITY SERVICES	39550	AT&T
597571	09/08/2022	$2,887.20	VEHICLE MAINTENANCE/EXPENSES	278	ATLAS RADIATOR INC
597572	09/08/2022	$400.00	CONTRACT SERVICES	528	FRANK BARAJAS
597573	09/08/2022	$522.00	PUBLIC SAFETY	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
597574	09/08/2022	$9,260.00	CONTRACT SERVICES	1624	CALIFORNIA PAVING AND GRADING INC
597575	09/08/2022	$14,484.66	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597576	09/08/2022	$140.00	TRAINING	3814	STEPHEN A CHAUNCEY
597577	09/08/2022	$4,856.48	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
597578	09/08/2022	$1,258.49	SUPPLIES	2455	HASA, INC.
597579	09/08/2022	$70.00	PARKS AND RECREATION	3817	RONNICA COPADO
597580	09/08/2022	$525.00	CONTRACT SERVICES	2759	D F POLYGRAPH
597581	09/08/2022	$166.50	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
597582	09/08/2022	$5,140.83	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
597583	09/08/2022	$2,400.00	CONTRACT SERVICES	1595	FROG ENVIRONMENTAL INC
597584	09/08/2022	$560.70	UNIFORM EXPENSE	55650	GALLS LLC
597585	09/08/2022	$1,174.69	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
597586	09/08/2022	$9,935.74	CONTRACT SERVICES	33460	GOODYEAR TIRE & RUBBER COMPANY
597587	09/08/2022	$417.69	ADVERTISING/PRINTING SERVICES	3307	HASHTAG PROMOTIONS LLC
597588	09/08/2022	$6,326.05	CONTRACT SERVICES	1122	SOUTHERN CALIFORNIA HOUSING RIGHTS CENTER
597589	09/08/2022	$650.69	CONTRACT SERVICES	1357	IRON MOUNTAIN INC
597590	09/08/2022	$10,800.00	CONTRACT SERVICES	3480	JEFFREY ALAN TRAVIS
597591	09/08/2022	$250.00	GENERAL GOVERNMENT	3818	REYNA LIMON
597592	09/08/2022	$668.71	CONTRACT SERVICES	1244	LOS ANGELES COUNTY AGRICULTURAL
597593	09/08/2022	$94,261.27	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597594	09/08/2022	$3,163.00	PERMITS AND FEES	56850	LOS ANGELES COUNTY FIRE DEPARTMENT
597595	09/08/2022	$59,224.62	IMPROVEMENTS OTHER THAN BUILDING	3489	MARK THOMAS & COMPANY INC
597596	09/08/2022	$2,300.00	CONTRACT SERVICES	3779	JUAN C MEDRANO
597597	09/08/2022	$1,409.65	SUPPLIES	2072	MICROMED DIAMOND SEAL SYSTEMS LLC
597598	09/08/2022	$23,237.62	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO
597599	09/08/2022	$196.43	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
597600	09/08/2022	$6,694.64	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS INC
597601	09/08/2022	$1,404.24	CONTRACT SERVICES	53120	NATIONAL CONSTRUCTION RENTALS
597602	09/08/2022	$5,160.00	TRAINING	3288	OFER LICHTMAN
597603	09/08/2022	$3,184.21	SUPPLIES	15620	OFFICE DEPOT INC
597604	09/08/2022	$2,000.00	CONTRACT SERVICES	1843	PASSAGE ENTERTAINMENT
597605	09/08/2022	$48.56	UTILITY SERVICES	100	PICO WATER DISTRICT
597606	09/08/2022	$413.07	UNIFORM EXPENSE	161	PREMIERE CUSTOM SILKSCREENING
597607	09/08/2022	$120.71	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
597608	09/08/2022	$4,320.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOCIATES INC
597609	09/08/2022	$175.76	SUPPLIES	503	QUADIENT INC
597610	09/08/2022	$200.00	PARKS AND RECREATION	1018	DIANA RODRIGUEZ
597611	09/08/2022	$55.00	DUES & SUBSCRIPTIONS	34990	SAN GABRIEL VALLEY CITY MANAGERS ASSOC
597612	09/08/2022	$81,628.82	CONTRACT SERVICES	14730	SAN GABRIEL VALLEY WATER COMPANY
597613	09/08/2022	$1,964.96	CONTRACT SERVICES	3176	PHILLIP SISNEROS
597614	09/08/2022	$130,458.37	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597615	09/08/2022	$59,837.07	FUEL INVENTORY	40520	SOUTHERN CALIFORNIA GAS CO
597616	09/08/2022	$18,298.40	FRINGE BENEFITS	25850	STANDARD INSURANCE COMPANY
597617	09/08/2022	$1,231.09	FRINGE BENEFITS	1990	STANDARD INSURANCE COMPANY
597618	09/08/2022	$177.08	CONTRACT SERVICES	3397	STERICYCLE INC
597619	09/08/2022	$3,219.08	CONTRACT SERVICES	3762	SUPERIOR PROTECTION SERVICES CA INC
597620	09/08/2022	$1,000.00	DUES & SUBSCRIPTIONS	526	T-MOBILE USA INC
597621	09/08/2022	$1,650.00	ADVERTISING/PRINTING SERVICES	3462	THE WALKING MAN INC
597622	09/08/2022	$192.61	DUES & SUBSCRIPTIONS	41430	THOMSON REUTERS - WEST
597623	09/08/2022	$70.00	PARKS AND RECREATION	3815	ESMERALDA TOSTADO
597624	09/08/2022	$7,704.00	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
597625	09/08/2022	$6,840.59	UTILITY SERVICES	23610	VERIZON WIRELESS

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597626	09/08/2022	$2,250.00	CONTRACT SERVICES	1350	VIGILANT SOLUTIONS LLC
597627	09/08/2022	$3,628.50	PERMITS AND FEES	69930	WEBIPLEX INC
597628	09/08/2022	$32,626.20	CONTRACT SERVICES	3731	YUNEX LLC
597629	09/15/2022	$2,471.75	UTILITY SERVICES	39550	AT&T
597630	09/15/2022	$4.76	UTILITY SERVICES	39550	AT&T
597631	09/15/2022	$52.89	UTILITY SERVICES	73760	AT&T TELECONFERENCE SERVICES
597632	09/15/2022	$4,072.35	CONTRACT SERVICES	16710	ATKINSON ANDELSON LOYA RUUD & ROMO
597633	09/15/2022	$250.00	CONTRACT SERVICES	2769	KATALINA BELTRAN
597634	09/15/2022	$2,298.75	FURNITURE & FIXTURES PURCHASES	3033	OFFICE SOLUTIONS BUSINESS PRODUCTS & SERVICES LLC
597635	09/15/2022	$2,550.00	CONTRACT SERVICES	2735	BOB MARDIGIAN FLOOR COVERING
597636	09/15/2022	$663.57	SUPPLIES	3822	BRIGGS & STRATTON LLC
597637	09/15/2022	$1,028.21	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
597638	09/15/2022	$5,464.51	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
597639	09/15/2022	$2,350.81	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
597640	09/15/2022	$586.26	SUPPLIES	2455	HASA, INC.
597641	09/15/2022	$3,857.70	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC
597642	09/15/2022	$0.00	VOID	2019	DEWEY SERVICES INC
597643	09/15/2022	$22,379.35	SUPPLIES	1939	DIGITAL EMS SOLUTIONS INC
597644	09/15/2022	$155,903.50	CONTRACT SERVICES	30170	CITY OF DOWNEY
597645	09/15/2022	$14,900.00	CONTRACT SERVICES	3403	ENGINEERED INSTALLATION SOLUTIONS LLC
597646	09/15/2022	$1,018.23	SUPPLIES	7610	EWING IRRIGATION PRODUCTS
597647	09/15/2022	$288.43	CONTRACT SERVICES	1117	FILE KEEPERS LLC
597648	09/15/2022	$1,070.15	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
597649	09/15/2022	$1,900.00	CONTRACT SERVICES	3811	NANNETTE M FUENTEZ
597650	09/15/2022	$1,490.27	UNIFORM EXPENSE	55650	GALLS LLC
597651	09/15/2022	$106.63	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
597652	09/15/2022	$20.00	CARPOOL INCENTIVE	3706	ALEX GILLMAN
597653	09/15/2022	$1,196.89	VEHICLE MAINTENANCE/EXPENSES	75590	ALHAMBRA MOTOR
597654	09/15/2022	$3,159.19	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
597655	09/15/2022	$2,661.95	VEHICLE MAINTENANCE/EXPENSES	3501	JUSTIN HILL
597656	09/15/2022	$300.00	CONTRACT SERVICES	48120	HINDERLITER DE LLAMAS & ASSOCIATES
597657	09/15/2022	$71.61	UNIFORM EXPENSE	3547	ZACHARY HUMBER

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597658	09/15/2022	$7,725.00	CONTRACT SERVICES	3287	INTRADO INTERACTIVE SERVICES CORPORATION
597659	09/15/2022	$8,210.00	CONTRACT SERVICES	3302	JACOB GREEN & ASSOCIATES INC
597660	09/15/2022	$6,276.00	CONTRACT SERVICES	2942	JAIROS PLUMBING INC
597661	09/15/2022	$38,576.00	CONTRACT SERVICES	3044	KAIZER RANGWALA
597662	09/15/2022	$120.00	PARKS AND RECREATION	2155	TIFFANY KOBAISSI
597663	09/15/2022	$540.00	CONTRACT SERVICES	73310	KRONOS INCORPORATED
597664	09/15/2022	$7,922.27	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
597665	09/15/2022	$17,697.50	DUE TO LA COUNTY	692	LOS ANGELES COUNTY SUPERIOR COURT
597666	09/15/2022	$70.00	PARKS AND RECREATION	3469	STEVE MARTEL
597667	09/15/2022	$1,000.00	CONTRACT SERVICES	3819	MASTER KEY INVESTMENTS
597668	09/15/2022	$1,000.00	CONTRACT SERVICES	3819	MASTER KEY INVESTMENTS
597669	09/15/2022	$1,295.00	CONTRACT SERVICES	1073	MONJARAS & WISMEYER GROUP INC
597670	09/15/2022	$1,636.54	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
597671	09/15/2022	$350.00	CONTRACT SERVICES	53120	NATIONAL CONSTRUCTION RENTALS
597672	09/15/2022	$45,000.00	CONTRACT SERVICES	2801	OPENGOV INC
597673	09/15/2022	$40.00	CARPOOL INCENTIVE	3291	JOSEPH PALOMBI
597674	09/15/2022	$40.00	CARPOOL INCENTIVE	65330	WENDY PEREZ
597675	09/15/2022	$9,701.95	CONTRACT SERVICES	3279	PROCURE AMERICA INC
597676	09/15/2022	$86.26	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
597677	09/15/2022	$150.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOCIATES INC
597678	09/15/2022	$250.00	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
597679	09/15/2022	$40.00	CARPOOL INCENTIVE	3584	BRENDA RODRIGUEZ
597680	09/15/2022	$109,786.13	CONTRACT SERVICES	14730	SAN GABRIEL VALLEY WATER COMPANY
597681	09/15/2022	$566.00	TRAINING	3448	SAVAGE TRAINING GROUP LLC
597682	09/15/2022	$600.00	CONTRACT SERVICES	61140	MICHAEL SAVEDRA
597683	09/15/2022	$180.00	CONTRACT SERVICES	3821	GILBERT WILLIAM SERRANO JR
597684	09/15/2022	$1,105.39	TRAVEL & MEETINGS	3161	DANIEL SIFUENTES
597685	09/15/2022	$680.00	CONTRACT SERVICES	68000	JORGE SOTO
597686	09/15/2022	$12,687.47	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
597687	09/15/2022	$43,884.37	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597688	09/15/2022	$807.44	CONTRACT SERVICES	3397	STERICYCLE INC
597689	09/15/2022	$1,300.00	CONTRACT SERVICES	71210	STAR-DUST TOURS INC

City of Montebello

Register of Demands No. 1538

From Payment Date 08/30/22 - To Payment Date 09/15/22

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597690	09/15/2022	$229.17	CONTRACT SERVICES	65440	TIERRA WEST ADVISORS
597691	09/15/2022	$2,485.58	UTILITY SERVICES	72570	US TELEPACIFIC CORP
597692	09/15/2022	$11,537.47	SUPPLIES	69680	TRIANGLE SPORTS INC
597693	09/15/2022	$699.00	TRAINING	2699	KIM TURNER LLC
597694	09/15/2022	$435.58	SUPPLIES	45120	ULINE INC
597695	09/15/2022	$653.44	SUPPLIES	131	UNITED SITE SERVICES INC
597696	09/15/2022	$16,884.00	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
597697	09/15/2022	$27,663.80	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
597698	09/15/2022	$63,287.50	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC
597699	09/15/2022	$2,872.56	SUPPLIES	67320	WINZER CORPORATION
597700	09/15/2022	$40.00	CONTRACT SERVICES	3006	WORLD OIL ENVIRONMENTAL SERVICES
597701	09/15/2022	$100.00	TRAINING	49660	RUBEN ZABALA
597702	09/15/2022	$40.00	PARKS AND RECREATION	3777	TRINH DAO
597703	09/15/2022	$250.00	TRAINING	3745	RUBEN GONZALEZ
597704	09/15/2022	$185.00	CONTRACT SERVICES	2977	ONE STOP TINT SHOP
	CHECK TOTAL	**$1,874,127.17**			
6093	- Successor Agency				
1494	09/08/2022	$1,500.00	CONTRACT SERVICES	17870	THE BANK OF NEW YORK MELLON
	TOTAL	**$1,500.00**			
	GRAND TOTAL	**$6,084,745.34**			