



**REGULAR JOINT MEETING OF THE
CITY COUNCIL, SUCCESSOR AGENCY, MONTCLAIR HOUSING CORPORATION,
MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR COMMUNITY FOUNDATION**

to be held in the Council Chambers
5111 Benito Street, Montclair, California

Monday, May 3, 2021
7:00 p.m.

Remote Participation Information:

Zoom Link: <https://zoom.us/j/93717150550>
Dial Number: 1-(669)-900-6833
Meeting ID: 937-1715-0550

*If you want to make a public comment or speak on an agenda item, including public hearing and closed session items, please complete a Speaker Card in the Council Chambers or at <https://www.cityofmontclair.org/public-comment/>. The Mayor/Chair (or the meeting's Presiding Officer) will call on those who submitted requests to speak at the appropriate times during the meeting. Those who did not submit a request to speak who are present at the meeting location may raise their hand during Public Comment to request to speak. Those participating remotely may request speak using the "raise hand" function in Zoom or may dial *9 if on the phone, and then *6 to un-mute when called on to speak. Written comments (200-word limit per agenda item, and 200-word limit for all non-agenda items combined) and requests to speak can also be emailed to cityclerk@cityofmontclair.org at least one hour before the meeting begins.*

Audio recordings of Council meetings are available on the City's website at <https://www.cityofmontclair.org/departments/public-meetings/> and can be accessed by the end of the next business day following the meeting.

AGENDA

- I. CALL TO ORDER** City Council [CC], Successor Agency Board [SA],
Montclair Housing Corporation Board [MHC],
Montclair Housing Authority Commission [MHA],
Montclair Community Foundation Board [MCF]

II. INVOCATION

In keeping with our long-standing tradition of opening our Council meetings with an invocation, this meeting may include a nonsectarian invocation. Such invocations are not intended to proselytize or advance any faith or belief or to disparage any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. PRESENTATIONS

- A. COVID-19 Community Recognition Award

VI. PUBLIC COMMENT

*During Public Comment, you may comment on any subject that **does not** appear on this agenda. Each speaker has up to five minutes. The meeting's presiding officer may provide more or less time to accommodate speakers with special needs or a large number of speakers waiting in line. (Government Code Section 54954.3).*

*If you did not submit a Speaker Card and would like to speak on an item on the **Consent Calendar**, please raise your hand during Public Comment to announce the agenda item you would like to provide comments on. The presiding officer will pull the item from the Consent Calendar and will then call on you to speak at the time of the item's consideration.*

Under the provisions of the Brown Act, the meeting bodies are prohibited from participating in substantial discussion of or taking action on items not listed on the agenda.

VII. PUBLIC HEARINGS

- A. Consider Adoption of Resolution No. 21-3310 Authorizing the Issuance of Bonds to Refund Certain Pension Obligations of the City; Approving the Form and Authorizing the Execution of a Trust Agreement and Bond Purchase Agreement; Authorizing Judicial Validation Proceedings Relating to the Issuance of Such Bonds; Authorizing Retention of Bond Counsel, Bond Disclosure Counsel, Municipal Advisor, Underwriter, and Trustee; Authorizing the City Manager to Execute All Agreements and Retention Contracts; and Approving Additional Actions Related Thereto [CC] 4

VIII. CONSENT CALENDAR

- A. Approval of Minutes
 - 1. Regular Joint Meeting — April 19, 2021 [CC/SA/MHC/MHA/MCF]
 - 2. Adjourned Meeting — April 20, 2021 [CC]
- B. Administrative Reports
 - 1. Consider Receiving and Filing a Status Report on Emergency Contracting Procedures for the Pacific Electric Trail Bridge Replacement Project and Determining There is a Need to Continue the Action [CC] 79
 - 2. Consider Approval of the Filing of a Notice of Completion of Contract with Gentry Brothers, Inc., for Construction of the Holt Boulevard Pavement Rehabilitation Project [CC]
Consider Release of Retention of Payment Bond 30 Days After Recordation of Notice Of Completion [CC] 81
 - 3. Consider Approval and Submission of a Letter of Opposition to the Senate Appropriations Committee for Senate Bill 210 (Weiner) Automated License Plate Recognition Systems [CC] 84
 - 4. Consider Approval of Warrant Register & Payroll Documentation [CC] 88
- C. Agreements — None
- D. Resolutions — None

IX. PULLED CONSENT CALENDAR ITEMS

X. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 21-3309 Making Certain Findings for an Exception to the 180-Day Wait Period Pursuant to Government Code Sections 7522.56 and 21221(h) [CC] 89

XI. COMMUNICATIONS

- A. Department Reports — None
- B. City Attorney
 - 1. Request to Meet in Closed Session Pursuant to GC §54957.6 Regarding Conference with City’s Designated Labor Negotiator Edward C. Starr [CC]
Agency: City of Montclair
Employee Assocs.: Management, Montclair City Confidential Employees Association, Montclair General Employees Association, Montclair Fire Fighters Association, and Montclair Police Officers Association

C. City Manager/Executive Director

D. Mayor/Chairperson

1. Announcement of Vacancies on Planning Commission (2) and Community Activities Commission (3)

Apply at www.cityofmontclair.org by May 4, 2021 at 5:30 p.m.

E. Council Members/Directors

F. Committee Meeting Minutes (*for informational purposes only*)

1. Personnel Committee Meeting — April 19, 2021 [CC]

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XII. CLOSED SESSION

XIII. CLOSED SESSION ANNOUNCEMENTS

XIV. ADJOURNMENT

*This meeting shall be adjourned in memory of
former Community Activities Commissioner Hollis Judkins.*

The next regular joint meeting of the City Council, Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board will be held on Monday, May 17, 2021, at 7:00 p.m.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the meeting bodies after publication of the Agenda packet are available for public inspection in in the Office of the City Clerk between 7:00 a.m. and 6:00 p.m., Monday through Thursday. Pursuant to the Governor's Executive Orders in relation to the COVID-19 pandemic, please call the City Clerk's Office at (909) 625-9416 or send an e-mail to cityclerk@cityofmontclair.org to request documents via e-mail.

If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (909) 625-9416 or e-mail cityclerk@cityofmontclair.org. Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Andrea M. Phillips, City Clerk, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the City's website at <https://www.cityofmontclair.org/departments/public-meetings/> and on the bulletin board adjacent to the north door of Montclair City Hall at 5111 Benito Street, Montclair, CA 91763 on Thursday, April 29, 2021.



CITY COUNCIL AGENDA REPORT

DATE: MAY 3, 2021

FILE I.D.: FIN212

SECTION: PUBLIC HEARINGS

DEPT.: CITY MGR.

ITEM NO.: A

PREPARER: E. STARR

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 21-3310 AUTHORIZING THE ISSUANCE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT AND BOND PURCHASE AGREEMENT; AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING RETENTION OF BOND COUNSEL, BOND DISCLOSURE COUNSEL, MUNICIPAL ADVISOR, UNDERWRITER, AND TRUSTEE; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL AGREEMENTS AND RETENTION CONTRACTS; AND APPROVING ADDITIONAL ACTIONS RELATED THERETO

REASON FOR CONSIDERATION: Montclair continues to face annual increases in the City's CalPERS pension rates, including for unfunded accrued pension liabilities ("UAL"). Over the past nineteen years, cumulative annual pension increases have outpaced the City's ability to produce new revenues to fully meet pension liabilities while concurrently maintaining an expansive program of services for the Montclair community.

At approximately \$7.9 million in annual payments for Fiscal Year 2021-22, CalPERS pension liabilities represent approximately 24.6 percent of the City's proposed Fiscal Year 2021-22 General Fund Operating Budget.

The passage of Measure L has better positioned the City to deal with its mounting UAL obligations. However, based on projected increases over the next decade, the City's annual CalPERS pension payment (including the UAL and employer normal cost rate) is expected to grow to more than \$10 million annually, adding further pressure to the City's long-term fiscal recovery.

Issuing POBs would function as an important strategy in restoring the City's long-term fiscal health.

At the April 20, 2021, City Council Workshop on Pension Obligation Bonds ("POBs"), the City Council considered three POB alternatives:

- POB Scenario 1 - "Bell Curve" Debt Service Solution
 - Amortization period is 2022-2041
 - Debt service starts at \$3,898,769 in 2022, peaks at \$6,920,189 in 2033, and declines to \$3,059,012 in 2041
 - Total UAL Payment to CalPERS from 2022 to 2047 is \$141,653,510
 - Total Debt Service under the POB is \$102,141,847
 - Total savings (difference between CalPERS UAL payment and POB debt service) is \$39,511,663

- POB Scenario 2 – Level Debt Service to Fiscal Year 2040
 - Amortization period is 2022–2040
 - Debt service starts at \$5,394,403 in 2022, peaks at \$5,396,506 in 2034, and declines to \$5,393,043 in 2040
 - Total UAL Payment to CalPERS from 2022 to 2047 is \$141,653,510
 - Total Debt Service under the POB is \$102,490,327
 - Total savings (difference between CalPERS UAL payment and POB debt service) is \$39,163,183

- POB Scenario 3 – Level Debt Service to Fiscal Year 2045
 - Amortization period is 2022–2045
 - Debt service starts at \$4,654,953 in 2022, peaks at \$4,658,302 in 2026, and declines to a final payment of \$4,654,125 in 2045
 - Total UAL Payment to CalPERS from 2022 to 2047 is \$141,653,510
 - Total Debt Service under the POB is \$111,741,590
 - Total savings (difference between CalPERS UAL payment and POB debt service) is \$29,911,920

The City Council is asked to consider authorizing the issuing of POBs as an important tool in stabilizing the City's long-term fiscal health.

Copies of Resolution No. 21–3310, the draft Trust Agreement, and the draft Bond Purchase Agreement are attached.

BACKGROUND: Over the last two decades the California Public Employees' Retirement System ("CalPERS") has made significant changes to the assumptions used in calculating local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded actuarial liability ("UAL") as the discount rate has been reduced from 7.5 percent to 7.0 percent, with further discount rate reductions likely; (2) sharp increases in annual payments due to CalPERS problematic investment strategies, and consistent failure by CalPERS to achieve a rate of return on investments that meets investment portfolio goals; (3) steep investment losses during the Great Recession and failure of the pension fund to fully recover from investment losses; (4) misguided and inaccurate assurances provided to public agencies regarding improvements to public safety employee retirement plans and their subsequent increase to employer rates and the UAL; (5) employer payment holidays that underfunded pension liabilities; (6) underfunded employee service credit purchases that pushed future, associated pension liabilities on to employers; and (7) rate smoothing policies and practices that initially produced artificially reduced rates followed by successive years of amortized UAL payments over a 30-year period.

The City has three main CalPERS plans – Police, Fire and Miscellaneous employee groups. Each plan's UAL is comprised of multiple "amortization bases". Annually, each amortization base generates positive and negative inputs based on the performance of the CalPERS Investment Fund, and changes in actuarial assumptions. Further, each amortization base has a separate payment schedule set over a fixed period of years. Because of CalPERS' amortization methodology, some of the payments continue to

increase each year while others may drop off. This methodology creates an unstable, cyclical funding environment that is projected to continue producing significant increases in UAL payments over the next 12 years, followed by a projected series of decreasing UAL payments in the subsequent 12 years, particularly in the last six years of the UAL payment cycle. However, adjustments to the discount rate and mortality tables, investment losses (or gains), economic conditions, and other unaccounted factors could result in additional increases not presently projected.

For most municipal agencies, including Montclair, funding these growing pension liabilities challenges the fiscal capacity to produce balanced budgets while concurrently maintaining staffing and historic service levels. In that regard, the City of Montclair is focused on minimizing annual payment increases to CalPERS so that balanced budgets can be maintained, with minimal impacts to services offered to the residents and businesses of Montclair.

Through the issuance of pension obligation bonds (POBs) intended to prepay the City's existing UAL, Montclair can achieve improved control over the level of payments required to pay debt service on the bonds. POB payments are anticipated to be level each year, providing the City with the capacity to better plan its pension expenses for budgeting purposes, while concurrently producing short- and long-term savings vis-à-vis annual UAL payments to CalPERS.

The first required step in the POB issuance process is "judicial validation" by a court of competent jurisdiction. Under this process, the only issues before the court are (1) the legal ability of the City to issue pension obligation bonds, and (2) whether the sale meets the State of California's constitutional requirements. Any potential fiscal impacts are not part of the court's analysis.

At the conclusion of the validation process, the court is expected to enter a judgment in favor of the City, determining that the pension obligation of the City (the UAL owed to CalPERS) legally represents an "obligation imposed by law". Numerous prior court cases have determined that pension liabilities are obligations imposed by law, and therefore are exempt from the debt limitation requirements set forth in Article XVI, Section 18, of the California Constitution. Many other California cities have followed this same process for the issuance of pension obligation bonds.

Resolution No. 21-3310 authorizes staff and bond counsel to (1) submit the necessary documents to the San Bernardino County Superior Court to start the judicial validation process; and (2) approves issuance of POBs in an amount not-to-exceed \$85 million. Also attached to the agenda report is Exhibit 1 (a draft form of the Trust Agreement for the POBs) and Exhibit 2 (a draft form of the Bond Purchase Agreement with the Underwriter).

The Trust Agreement identifies the duties and responsibilities of the trustee, establishes the terms and conditions under which the bonds are to be issued, and outlines certain covenants of the City and the security necessary for payment of the principal and interest on the POBs.

Upon approval of Resolution No. 21-3310, two concurrent processes will occur:

1. The validation process is initiated, and is expected to take at least 90 days; and
2. Concurrently, staff and consultants will prepare other required financing documents and, near the end of the validation proceedings, submit the financing package to Standard & Poor's for a credit rating.

The final actions to be taken by the City Council will be presented on or about August 2021, near the conclusion of the validation proceedings. These actions include approval of the Preliminary Official Statement and a Continuing Disclosure Certificate. Projected savings from issuing the POBs will be updated at that time, based on changes in market conditions and the actual bond size – the latter based on the prepaid amount of City's UAL owed to CalPERS.

To provide services necessary for issuance of the bonds, City staff seeks City Council approval to retain Nixon Peabody LLP to act as bond counsel; Richards, Watson & Gershon to act as bond disclosure counsel; Urban Futures, Inc. to act as municipal advisor; Hilltop Securities Inc., to act as underwriter; and U.S. Bank National Assoc. to act as trustee. These professional service agreements will be on file with the City Clerk's Office.

FISCAL IMPACT: The issuance of pension obligation bonds (POBs) for the refinancing of certain pension obligations of the City of Montclair may reduce annual costs related to the unfunded accrued liability ("UAL") the City currently is obligated to pay CalPERS.

As of June 30, 2019, the most current date financial information is available, the City's UAL for all covered City employees and retirees is approximately \$78 million. Approximately 59 percent of the UAL is related to public safety (police and fire) employees and 41 percent is related to non-safety employees.

Based on actuarial tables, annual UAL payments to CalPERS are projected to range from approximately \$5.2 million for the 2020-21 fiscal year, up to approximately \$8.8 million in the peak year of 2032-33 – these sums do not include the normal cost component (i.e., the employer rate) which currently increases the City's total contribution by approximately \$2.1 million annually.

Projected CalPERS increases have the potential to impact the City Council's ability to adopt annual balanced budgets, thereby impacting the high level of services provided to the residents and businesses of the City of Montclair.

The issuance of POBs will allow the City of Montclair to prepay up to 100% of the projected UAL, or approximately \$78 million as referenced in the 2020 valuation date report released by CalPERS.

By issuing POBs, the City would be contractually obligated to make annual debt service payments to the bondholders.

As proposed, annual debt service payments would be structured as level dollar amount payments over the course of the life of the bonds.

Based on POB Scenario 3, as presented at the April 20, 2021, City Council Workshop, from 2022 to 2047 the City's CalPERS UAL payments are projected to total \$141,653,510 – based on a 4 percent POB interest rate and 24-year bond repayment schedule, versus the current 7 percent interest rate charged by CalPERS. In contrast, from 2022 to 2045,

the City's POB debt service payment is projected to total \$111,741,590, producing an estimated \$29.9 million in savings versus UAL payments to CalPERS. Further, the CalPERS UAL payment for Fiscal Year 20-21 would be reduced from an estimated \$5,462,797 to a POB payment of \$4,654,953.

RECOMMENDATION: City staff recommends the City Council adopt Resolution No. 21-3310 providing for the following actions:

1. Authorizing the issuance of POBs to refund certain pension obligations of the City;
2. Approving the forms of the Trust Agreement, the Bond Purchase Agreement, and the authorization of judicial validation proceedings related to the issuance of such bonds;
3. Authorizing a negotiated sale of the pension obligation bonds to Hilltop Securities Inc. (the "Underwriter") within certain parameters;
4. Authorizing the City Manager to execute the Trust Agreement and the Bond Purchase Agreement; and
5. Authorizing the City Manager to execute contracts for services of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, and Underwriter.

RESOLUTION NO. 21-3310

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR AUTHORIZING THE ISSUANCE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT AND BOND PURCHASE AGREEMENT; AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING RETENTION OF BOND COUNSEL, BOND DISCLOSURE COUNSEL, MUNICIPAL ADVISOR, UNDERWRITER, AND TRUSTEE; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL AGREEMENTS AND RETENTION CONTRACTS; AND APPROVING ADDITIONAL ACTIONS RELATED THERETO

WHEREAS, the City of Montclair (the "City") has previously adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law") and elected to become a contracting member of the California Public Employees' Retirement System ("PERS");

WHEREAS, the Retirement Law and the contract (the "PERS Contract") between the Board of Administration of PERS and the City Council of the City (the "City Council") obligate the City to (i) make contributions to PERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, the City desires to authorize the issuance of its City of Montclair 2021 Taxable Pension Obligation Bonds (the "Bonds") pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), in a maximum principal amount not to exceed that required for the purpose of refunding all or a portion of the City's current obligation to PERS for fiscal year 2021-22, pursuant to the PERS Contract, to pay all or a portion of the unfunded accrued actuarial liability of the City (the "Unfunded Liability") with respect to pension benefits under the Public Employees' Retirement Law and the PERS Contract, to pay capitalized interest on the Bonds and to pay the costs of issuance of such Bonds, including the underwriter's discount and any original issue discount on such Bonds;

WHEREAS, the City expects that the need may arise in the future to issue additional refunding bonds (the "Additional Bonds") pursuant to the Bond Law to amortize the accrued and Unfunded Liability of the City to PERS as required by the Public Employees Retirement Law and the PERS Contract and to fund all or a portion of the normal contributions required by the PERS Contract;

WHEREAS, the Bonds will be issued under and secured by a Trust Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement"); and

WHEREAS, the City has determined the advisability of filing an action to determine the validity of the Bonds, the Additional Bonds and the Trust Agreement, and the actions proposed to be taken in connection therewith;

WHEREAS, in compliance with SB 450, the City has obtained from its Underwriter the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto; 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 the 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, BE IT RESOLVED by the City Council of the City of Montclair as follows:

Section 1. The City Council does hereby find and declare that the above recitals are true and correct.

Section 2. The issuance of the Bonds on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form and shall have terms as provided in the Trust Agreement, as the same shall be completed in accordance with this Resolution. The title of the Bonds may be changed to reflect the year in which the Bonds are issued, and to reflect the appropriate series designation, as directed by the City Manager of the City.

Section 3. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Mayor of the City, or such member of the City Council as the Mayor may designate, the City Manager of the City, the Finance Manager of the City, and their authorized designees (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 Trust Agreement in the form presented to this meeting, 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 Trust Agreement by such Authorized Officer. The City Clerk of the City is hereby authorized and directed to attest the Trust Agreement for and in the name and on behalf of the City.

Section 4. The City hereby authorizes and approves the issuance of Additional Bonds pursuant to the Bond Law, as authorized by the Trust Agreement, from time to time, to refund all or a portion of the Unfunded Liability and the City's obligation to PERS pursuant to the PERS Contract for the then-current fiscal year, provided that the City Manager, or his designee, first certifies to the Council in writing that such actions will result in cost savings to the City. The City authorizes any one of the Authorized Officers, or their designees, to execute and deliver one or more other trust agreements and/or one or more supplemental agreements supplementing or amending the Trust Agreement and providing for the issuance of Additional Bonds (each an "Additional Trust Agreement"); provided, however, that (i) each series of Additional Bonds shall be in a principal amount not to exceed the sum of the Unfunded Liability of the City to PERS under the PERS Contract and the Public Employees Retirement Law remaining unpaid on the date of issuance of such Additional Bonds, the obligation to PERS for the current fiscal year pursuant to the PERS Contract and the costs of issuing the Additional Bonds, (ii) the stated interest rate on the Additional Bonds shall not exceed the discount rate assumed by PERS with respect to the amortization of the Unfunded Liability at the time such Additional Bonds are issued, and (iii) the Additional Bonds issued pursuant to such Additional Trust Agreement shall mature not later than 30 years from the date of their issuance.

Each Unfunded Liability refunded by the Bonds and each series of Additional Bonds pursuant to the Trust Agreement and each Additional Trust Agreement constitutes an obligation imposed by law, pursuant to the Constitution and laws of the State of California and an obligation of the City not limited as to payment from any special source of funds. The Unfunded Liability refunded by the Bonds pursuant to the Trust Agreement and each series of Additional Bonds pursuant to an Additional Trust Agreement shall not, however, constitute an obligation of the City for which the City is obligated or permitted to levy or pledge any form of taxation or for which the City has levied or pledged or will levy or pledge any form of taxation.

Section 5. The form of the Bond Purchase Agreement (the "Purchase Agreement") by and between the City and Hilltop Securities Inc. (the "Underwriter") presented to this meeting and on file with the Clerk and the sale of the Bonds to the Underwriter pursuant thereto upon the terms and conditions set forth therein is hereby approved, and subject to such approval and subject to the provisions hereof, the Authorized Officers are each hereby authorized and directed to evidence the City's acceptance of the offers made by the Purchase Agreement by executing and delivering the Purchase Agreement in said form with such changes therein as the Authorized Officer or Authorized Officers executing the same may approve and such matters as are authorized by this Resolution, such approval to be conclusively evidenced by the execution and delivery thereof by any one of the Authorized Officers.

Section 6. The City Manager of the City, the Finance Manager of the City, and their designees are each authorized, on behalf of the City, to establish and determine (i) the final principal amount of the Bonds, provided the aggregate initial principal amount of the Bonds shall not be greater than the sum of the City's obligation to PERS for fiscal year 2021-22, as evidenced by the PERS Contract, and the Unfunded Liability as calculated by PERS or other actuary selected by the Authorized Officer, together with the costs of issuing the Bonds as approved by such Authorized Officer, (ii) the final

interest rates on various maturities of the Bonds, provided that the true interest cost of Bonds shall not exceed 4.25% and that the maturity date of the Bonds shall not be later than the last date through which PERS has determined for the amortization of the Unfunded Liability of the City in accordance with its current procedures; and (iii) the Underwriter's discount for the purchase of the Bonds, not to exceed 0.475% of the principal amount of the Bonds.

Section 7. The City Manager of the City, the Finance Manager of the City, and their respective designees are hereby authorized to negotiate and execute an insurance policy and debt service reserve fund insurance policy for the Bonds (and such other agreements that may be required by the insurer in connection therewith) if it is determined that the policies will result in interest rate savings for the City, and to pay the insurance premium of such policies from the proceeds of the issuance and sale of the Bonds.

Section 8. The Authorized Officers are each authorized to execute contracts with Nixon Peabody LLP, to act as Bond Counsel, with Richards, Watson & Gershon, A Professional Corporation, to act as Disclosure Counsel, and with Urban Futures, Inc., to act as Municipal Advisor.

Section 9. In order to determine the validity of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements, and the actions authorized hereby to be taken in connection therewith, the City Council hereby authorizes the City Attorney, in concert with Nixon Peabody LLP, Bond Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements in the Superior Court of San Bernardino County, under and pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure. The City Council further authorizes the Authorized Officers and all other officers, employees and agents of the City to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

Section 10. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby, including, but not limited to, the preparation of an Official Statement (and a Preliminary Official Statement) for use in connection with the offering and sale of the Bonds, the execution and delivery of a continuing disclosure undertaking and the execution and delivery of any documents required by PERS in order to complete the issuance of the Bonds.

Section 11. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the City with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 12. This Resolution shall take effect from and after the date of approval and adoption hereof.

APPROVED AND ADOPTED this XX day of XX, 2021.

Mayor

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

I, Andrea M. Phillips, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 21-3310 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2021, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Andrea M. Phillips
City Clerk

EXHIBIT A

SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Hilltop Securities Inc. (the "Underwriter").

Principal Amount. The Underwriter 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 Bonds to be sold is \$79,525,000 (the "Estimated Principal Amounts").

True Interest Cost of the Bonds. The Underwriter has informed the City that, assuming that the respective Estimated Principal Amounts of the Bonds are 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 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 Bonds, is 3.127%.

Finance Charge of the Bonds. The Underwriter has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are 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 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$647,625.

Amount of Proceeds to be Received. The Underwriter has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are 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 Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$78,876,025.

Total Payment Amount. The Underwriter has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are 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 Bonds, plus the finance charge for the Bonds, as described above, not paid with the respective proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$113,392,602.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 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 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 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 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 Bonds and the actual principal amount of Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 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.

TRUST AGREEMENT

by and between

CITY OF MONTCLAIR

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of _____ 1, 2021

Relating to

**\$ _____
CITY OF MONTCLAIR
2021 TAXABLE PENSION OBLIGATION BONDS**

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TRUST AGREEMENT

This **TRUST AGREEMENT** is dated as of _____ 1, 2021, and is made by and between the **CITY OF MONTCLAIR**, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California (the “**City**”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

RECITALS

WHEREAS, the City is a member of the California Public Employees’ Retirement System (“**PERS**”) and, as such, is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “**Retirement Law**”), and the contract between the Board of Administration of PERS and the City Council of the City, effective _____ (as may be amended, the “**PERS Contract**”), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b); and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) to issue bonds for the purpose of refunding certain obligations of the City, including the obligations set forth in the PERS Contract; and

WHEREAS, for the purpose of refunding the City’s unamortized, unfunded accrued actuarial liability with respect to pension benefits under the Retirement Law (the “**Unfunded Liability**”), and to pay the costs of issuance, including underwriter’s discount and any original issue discount, the City has determined to issue its \$ _____ City of Montclair 2021 Taxable Pension Obligation Bonds (the “**Bonds**”), all pursuant to and secured by this Trust Agreement providing for the issuance of the Bonds, all in the manner provided herein;

NOW THEREFORE, the City and the Trustee agree as follows, each for the benefit of the other and the benefit of holders of the Bonds (as defined below) issued in accordance with this Trust Agreement.

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.01 Certain Defined Terms. The terms defined in this Article I shall, for all purposes of this Trust Agreement, have the meanings specified unless the context clearly requires otherwise.

“**Account**” means any account established pursuant to this Trust Agreement.

“**Additional Bonds**” means bonds issued in accordance with Section 2.06 hereof.

“**Annual Debt Service**” means, for any Bond Year, the sum of the aggregate amount of principal required to be paid on Bonds during such Bond Year either at maturity or pursuant to a

mandatory sinking fund payment and the interest due on the Bonds on each Interest Payment Date during such Bond Year.

“**Authorized City Representative**” means the City Manager, the Finance Director, or any officer authorized to act on their respective behalves.

“**Authorized Denominations**” means \$5,000 and any integral multiple thereof (except that while Bonds are registered in book-entry form, they may be held in amounts other than an integral multiple so long as the amount exceeds \$5,000).

“**Beneficial Owner**” means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person’s subrogee.

“**Bond**” or “**Bonds**” means the bonds issued under this Trust Agreement and designated as “City of Montclair 2021 Taxable Pension Obligation Bonds.”

“**Bond Counsel**” means (a) Nixon Peabody LLP, or (b) a firm of attorneys nationally recognized as experts in the area of municipal finance who are familiar with the transactions contemplated under this Trust Agreement and acceptable to the City.

“**Bond Interest Account**” means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

“**Bond Principal Account**” means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

“**Bond Year**” means the twelve-month period commencing on each _____ 2 and ending on the next succeeding _____ 1, except that the first Bond Year shall commence on the Closing Date and end on _____ 1, 20__.

“**Book-Entry Bonds**” means the Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 3.03 hereof.

“**Business Day**” means a day (a) other than a day on which banks located in the City of New York, New York or the cities in which the respective principal offices of the Trustee or any Paying Agent are located, are required or authorized by law or executive order to close, and (b) on which the New York Stock Exchange is open.

“**Closing Date**” means _____, 2021.

“**Consultant**” means the accountant, attorney, consultant, municipal finance consultant or investment banker, or firm thereof, retained by the City to perform acts and carry out the duties provided for such Consultant in this Trust Agreement. Such accountant, attorney, consultant, municipal finance consultant or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required.

“**Continuing Disclosure Certificate**” means that certain Continuing Disclosure Certificate executed and delivered by the City, dated as of _____ 1, 2021, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all costs and expenses incurred by the City in connection with the issuance of the Bonds and the refunding of the Unfunded Liability, including, but not limited to, out-of-pocket expenses of the City, costs and expenses of printing and copying documents and the Bonds and the fees, costs and expenses of Rating Agencies, credit providers or enhancers, the Trustee, counsel to the Trustee, Bond Counsel, the verification agent, accountants, municipal finance consultant, disclosure counsel and other consultants and the premium for any municipal bond insurance and surety bond insurance.

“Defeasance Securities” means any of the following: (a) non-callable direct obligations of the United States of America (“Treasuries”), (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, and (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively (or any combination thereof), which shall be authorized to be used to effect defeasance of the Bonds.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Event of Default” means any occurrence or event specified in Section 11.01 hereof.

“Fiduciary or Fiduciaries” means the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiscal Year” means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period as the City designates as its fiscal year.

“Fitch” means Fitch Ratings Inc.

“Fund” means any fund established pursuant to this Trust Agreement.

“Holder,” or “Bondholder,” “owner” or “registered owner” means the registered owner of any Bonds, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

“Information Services” means any one or more of the national information services that Trustee determines are in the business of disseminating notices of redemption of obligations such as the Bonds.

“Interest Payment Date” means _____ 1 and _____ 1 of each year commencing _____.

“Mail” means by first-class United States mail, postage prepaid.

“Moody’s” means Moody’s Investors Service, Inc., New York, New York, and its successors, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Outstanding,” with respect to the Bonds, means all Bonds which have been authenticated and delivered under this Trust Agreement, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby.

(b) Bonds deemed to be paid in accordance with Section 10.02 hereof.

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 3.02 and 3.04 hereof.

(d) Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment of which sufficient moneys, including interest accreted or accrued to the due date, are held by the Trustee or a Paying Agent.

(e) For purposes of any consent or other action to be taken by the Holders of a specified percentage of Bonds Outstanding under this Trust Agreement, Bonds held by or for the account of the City or by any person controlling, controlled by or under common control with the City, unless such Bonds are pledged to secure a debt to an unrelated party, in which case such Bonds shall, for purposes of consents and other Bondholder action, be deemed to be Outstanding and owned by the party to which such Bonds are pledged. Nothing herein shall be deemed to prevent the City from purchasing Bonds from any party out of any funds available to the City.

“Participant” means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“Paying Agent” means any paying agent for the Bonds, or successor thereto, appointed by the City pursuant to Sections 8.01 or 8.02 hereof, and any successor appointed pursuant to Section 7.04 hereof.

“Permitted Investments” means the following:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“U.S. Government Securities”).

(2) Direct obligations* of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

a. Export-Import Bank of the United States – Direct obligations and fully guaranteed certificates of beneficial interest

* The following are explicitly excluded from the securities enumerated in 2 and 3:

- (i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and

- b. Federal Housing Administration – debentures
- c. General Services Administration – participation certificates
- d. Government National Mortgage Association (“GNMAs”) – guaranteed mortgage-backed securities and guaranteed participation certificates
- e. Small Business Administration – guaranteed participation certificates and guaranteed pool certificates
- f. U.S. Department of Housing & Urban Development – local authority bonds
- g. U.S. Maritime Administration – guaranteed Title XI financings
- h. Washington Metropolitan Area Transit Authority – guaranteed transit bonds

(3) Direct obligations* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- a. Federal National Mortgage Association (“FNMA”) – senior debt obligations rated Aaa by Moody’s Investors Service (“Moody’s”) and AAA by Standard & Poor’s Ratings Services (“S&P”)
- b. Federal Home Loan Mortgage Corporation (“FHLMCs”) – participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by S&P
- c. Federal Home Loan Banks – consolidated debt obligations
- d. Student Loan Marketing Association – debt obligations
- e. Resolution Funding Corporation – debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P.

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

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation (“FDIC”), including the Bank Insurance Fund and the Savings Association Insurance Fund, and including funds for which the Trustee or its affiliates provide investment advisory or other management services.

(7) Certificates of deposit, deposit accounts, federal funds or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank’s short-term certificates of deposit are rated P-1 by Moody’s and A-1 or better by S&P (not considering holding company ratings).

(iv) Collateralized Mortgage-Backed Obligations (“CMOs”).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services.

(9) Any other investment which the City is permitted by law to make, including without limitation investment in the Local Agency Investment Fund of the State of California (LAIF), provided that any investment of the type authorized pursuant to paragraphs (d), (f), (h) and (i) of Section 53601 of the California Government Code are additionally restricted as provided in the appropriate paragraph or paragraphs above applicable to such type of investment and provided further that investments authorized pursuant to paragraphs (k) and (m) of Section 53601 are not permitted.

To the extent that any of the requirements concerning Permitted Investments embodies a legal conclusion, the Trustee shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion from counsel to such party, that such requirement has been met.

“**PERS**” means the California Public Employees’ Retirement System.

“**PERS Contract**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Principal Office of the Trustee**” means the office of the Trustee at the address set forth in Section 15.06 of this Trust Agreement, provided for transfer, exchange, registration, surrender and payment of Bonds means care of the corporate trust office of _____ in _____ or such other office designated by the Trustee.

“**Rating Agencies**” means Fitch, Moody's and S&P.

“**Rating Category**” means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“**Record Date**” means the fifteenth day of each calendar month preceding any Interest Payment Date, regardless of whether such day is a Business Day.

“**Redemption Fund**” means the Fund of that name established pursuant to Section 6.03 hereof.

“**Refunding Law**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Registrar**” means, for purposes of this Trust Agreement, the Trustee or its successor or assignee.

“**Representation Letter**” means the Letter of Representations from the City and the Trustee to DTC with respect to the Bonds.

“**Requisition**” or “**Written Requisition**” means a Requisition or Written Requisition, substantially in the form of Exhibit “B” hereto.

“**Responsible Officer**” means an officer of the Trustee assigned by the Trustee to administer this Trust Agreement.

“**Retirement Law**” has the meaning assigned that term in the Recitals to this Trust Agreement.

“**Revenue Fund**” means the Fund of that name established pursuant to Section 6.02(a) hereof.

“**S&P**” means S&P Global Ratings, and its successors, and, if such company shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“**Securities Depositories**” means any of The Depository Trust Company or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or if no such depositories, as the City may indicate in a certificate of the City delivered to the Trustee.

“**State**” means the State of California.

“**Term Bonds**” means the Bonds maturing _____ 1, 20__ and _____ 1, 20__.

“**Total Bond Obligation**” means, as of any date of calculation, the aggregate principal amount of the Bonds then Outstanding.

“**Trust Agreement**” means this Trust Agreement dated as of _____ 1, 2021 between the City and the Trustee, as it may be amended, supplemented or otherwise modified from time to time.

“**Trustee**” means the entity named as such in the heading of this Trust Agreement until a successor replaces it, and thereafter means such successor.

“**Unfunded Liability**” has the meaning assigned that term in the Recitals to this Trust Agreement.

Section 1.02 Other Definitional Provisions. Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Trust Agreement. Any of the terms defined in Section 1.01 may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

ARTICLE II

THE BONDS

Section 2.01 Issuance of Bonds; Form; Dating. Bonds may be issued by the City under the terms of this Trust Agreement only to refund the City’s Unfunded Liability under the PERS Contract and the Retirement Law and to pay the Costs of Issuance in connection with the issuance of the Bonds. The Bonds shall be designated “City of Montclair 2021 Taxable Pension Obligation Bonds” and shall be issued in Authorized Denominations. The Bonds shall be issued hereunder in the aggregate principal amount of \$_____. Interest on the Bonds shall be payable on each _____ 1 and _____ 1, commencing _____.

Section 2.02 Description of the Bonds. Each Bond shall be issued in fully registered form and shall be numbered as determined by the Trustee. The Bonds shall be dated the Closing Date. The Bonds shall be issued in Authorized Denominations; provided, however, that the Bonds shall initially be Book-Entry Bonds.

The Bonds shall mature on the dates, in the principal amounts, and interest thereon shall be computed at the rates, as shown below:

<i>Maturity Date</i> (1)	<i>Principal Amount</i>	<i>Interest Rate</i>
------------------------------	-------------------------	----------------------

Section 2.03 Interest on the Bonds. Interest on each Bond of each maturity shall be payable at the respective per annum rates set forth in Section 2.02 hereof and shall be payable on each Interest Payment Date until maturity or earlier redemption, computed using a year of 360 days comprised of twelve 30-day months. Interest on each Bond shall accrue from the Interest Payment Date for the Bonds next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from the Closing Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available for payment, from the Closing Date.

Section 2.04 Medium of Payment. Principal, premium, if any, and interest on the Bonds shall be payable in currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments of interest on any of the Bonds will be made on each Interest Payment Date by check of the Trustee sent by Mail, or by wire transfer to any Holder of \$1,000,000 or more of Bonds, to the account specified by such Holder in a written request delivered to the Trustee on or prior to the Record Date for such Interest Payment Date, to the Holder thereof on the Record Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Trustee which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest. Payment of the principal of the Bonds upon redemption or maturity will be made upon presentation and surrender of each such Bond, at the Principal Office of the Trustee.

Section 2.05 Form. The Bonds shall be substantially in the form set forth in Exhibit “A” attached hereto and by this reference incorporated herein. The Bonds may be printed, lithographed, photocopied or typewritten and shall be in such Authorized Denominations as may be determined by the City.

Section 2.06 Additional Bonds. From time to time, the City may enter into (i) one or more other trust agreements or indentures and/or (ii) one or more agreements supplementing and/or amending this Trust Agreement, for the purpose of providing for the issuance of Additional Bonds to refund the Bonds or to refund all or any portion of any Unfunded Liability under the PERS Contract arising subsequent to the issuance of the Bonds or any other obligations due to PERS. Such Additional Bonds may be issued on a parity with the Bonds.

ARTICLE III

EXECUTION, AUTHENTICATION AND EXCHANGE OF BONDS; BOOK ENTRY BONDS

Section 3.01 Execution and Authentication; Registration.

(a) The Bonds will be signed for the City with the manual or facsimile signature of the Mayor of the City Council of the City. The City may deliver to the Trustee or its agent duly executed Bonds for authentication from time to time by the Trustee or its agent as such Bonds may be required. Bonds executed and so delivered and authenticated will be valid. In case any officer of the City whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Trust Agreement, such person was not such officer.

(b) A Bond will not be valid until the Trustee or its agent executes the certificate of authentication on such Bond by manual signature. Such signature will be conclusive evidence that such Bond has been authenticated under this Trust Agreement. The Trustee may appoint an authenticating agent acceptable to the City to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Trustee may do so. Each reference in this Trust Agreement to authentication by the Trustee includes authentication by such agent.

(c) Bonds may be presented at the Principal Office of the Trustee, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Registrar will keep a register of such Bonds and of their transfer and exchange.

Section 3.02 Transfer or Exchange of Bonds. Subject to Section 3.03:

(a) All Bonds shall be issued in fully registered form. Upon surrender for transfer of any Bond at the Principal Office of the Trustee, the Trustee shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of Authorized Denominations of the same maturity for the aggregate principal amount which the Bondholder is entitled to receive.

(b) All Bonds presented for transfer, redemption or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the City, duly executed by the Bondholder or by his duly authorized attorney. The Trustee also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

(c) Bonds delivered upon any transfer as provided herein, or as provided in Section 3.04, shall be valid obligations of the City, evidencing the same debt as the Bond surrendered, shall be secured by this Trust Agreement and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

(d) The City, the Trustee and the Paying Agent shall treat the Bondholder, as shown on the registration books kept by the Trustee, as the person exclusively entitled to payment of principal, premium, if any, and interest with respect to such Bond and to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the Record Date, is the Bondholder.

Section 3.03 Book-Entry Bonds.

(a) Except as provided in paragraph (c) of this Section 3.03, the registered owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Except as provided in paragraph (d) of this Section 3.03, payment of principal, interest and premium, if any, for any Bonds registered in the name of Cede & Co. shall be made as provided in the Representation Letter.

(b) The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for each separate stated maturity of the Bonds. The Trustee, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of, or interest on, the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the City shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant or any other person which is not shown on the registration books as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders under this Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as a Bondholder. The Trustee shall pay, from funds held under the terms of this Trust Agreement or otherwise provided by the City, all principal or redemption price of and interest on the Bonds only to DTC as provided in the Representation Letter and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to the principal or redemption price of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive authenticated Bonds evidencing the obligation of the City, to make payments of principal or redemption price and interest pursuant to this Trust Agreement. 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 name “Cede & Co.” in this Trust Agreement shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Bonds certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City and the Trustee shall be obligated to deliver Bond certificates as described in this Trust Agreement. In the event Bond certificates are issued, the provisions of this Trust Agreement shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the Trustee to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or redemption price of and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Trust Agreement by the City or the Trustee with respect to any consent or other action to be taken by Bondholders, 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. Notice to DTC shall be given only when DTC is the sole Bondholder.

(f) If the City purchases, or causes the Trustee to purchase, any of the Bonds, such purchase of Bonds shall be deemed to have occurred upon the purchase of beneficial ownership interests in the Bonds from a Participant. Upon receipt by DTC of notice from the City and a Participant that a purchase of beneficial ownership interests in the Bonds has been made by the City from such Participant, DTC shall surrender to the Trustee the Bonds referenced in such notice and, if the principal amount referenced in said notice is less than the principal amount of the Bonds so surrendered, the Trustee shall authenticate and deliver to DTC, in exchange for the Bonds so surrendered, a new Bond or Bonds, as the case may be, in Authorized Denominations and in a principal amount equal to the difference between (i) the principal amount of the Bonds so surrendered and (ii) the principal amount referenced in said notice.

(g) Notwithstanding any provision herein to the contrary, the City and the Trustee may agree to allow DTC, or its nominee, Cede & Co., to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

(h) In the event that DTC notifies the City that it is discontinuing the book-entry system for the Bonds, the City may either appoint another entity to hold the Bonds in book-entry form or deliver Bond certificates to the beneficial owners or Participants, as directed by DTC.

Section 3.04 Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the City and the Trustee proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the City for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The City shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the City may execute and the Trustee may authenticate and deliver a new Bond of like date, maturity and denomination as that Bond lost, stolen or destroyed; provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it.

(c) The City and the Trustee shall charge the Holder of such Bond all transfer taxes, if any, and their reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section shall be issued as a substitute and numbered, if numbering is provided for by the Trustee, as determined by the Trustee. In the event any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

Section 3.05 Destruction of Bonds. Whenever any Outstanding Bonds shall be delivered to the Trustee for cancellation pursuant to this Trust Agreement, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 3.04 or transfer pursuant to Section 3.02, such Bond shall be cancelled and destroyed by the Trustee and counterparts of a certificate of destruction evidencing such destruction shall, upon the City's request, be furnished by the Trustee to the City.

Section 3.06 Temporary Bonds.

(a) Pending preparation of definitive Bonds, the City may execute and the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitation and conditions, interim receipts, certificates or temporary bonds which shall be exchanged for the Bonds.

(b) If temporary Bonds shall be issued, the City shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same and deliver in exchange therefor at the place designated by the Bondholder, without charge to the Bondholder thereof, definitive Bonds of an equal aggregate principal amount, of the same series, maturity and bearing interest at the same rate or rates as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Bonds to be issued and authenticated hereunder.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Notices to Trustee; Notices to Bondholders; Notices to DTC.

(a) Notice of redemption shall be given by the Trustee, not less than 30 nor more than 60 days prior to the redemption date: (i) in the case of Bonds not registered in the name of a Securities Depository or its nominee, to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) in the case of Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Bonds; and (iii) to the Information Services. Notice of redemption to the Holders pursuant to (i) above shall be given by mail at their addresses appearing on the registration books of the Trustee, or any other method agreed upon by such Holder 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.

(b) Each notice of redemption shall state the Bonds or designated portions thereof to be redeemed, the date of redemption, the place of redemption, the redemption price, the CUSIP number (if any) of the Bonds to be redeemed, the distinctive numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or part. Each such notice shall also state that on said date there will become due and payable on each of the Bonds to be redeemed the redemption price, and redemption premium, if any, thereof, and that from and after such redemption date interest thereon shall cease to accrue.

(c) Failure to give the notices described in this Section 4.01 or any defect therein shall not in any manner affect the redemption of any Bonds. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee.

(d) The City shall have the right to rescind any notice of optional redemption previously sent pursuant to this Section 4.01. Any such notice of rescission shall be sent in the same manner as the notice of redemption. Neither the City nor the Trustee shall incur any liability, to Bond Owners, DTC, or otherwise, as a result of a rescission of a notice of redemption.

Section 4.02 Optional Redemption of Bonds. The Bonds maturing on or after _____ 1, 20__ may be redeemed at the option of the City from any source of funds on any date on or after _____ 1, 20__ in whole or in part from such maturities as are selected by the City and by lot within a maturity at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Section 4.03 Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing _____ 1, 20__ (the “20__ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

Redemption Date
(____ 1)

*Principal
Amount*

* Final maturity.

The Bonds maturing ____ 1, 20__ (the “**20__ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

Redemption Date
(____ 1)

*Principal
Amount*

* Final maturity.

On or before each _____ 15 next preceding any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption pro-rata from all Term Bonds subject to mandatory sinking fund redemption at that time, an aggregate principal amount of such Term Bonds equal to the amount for such year as set forth in the table above and shall call such Term Bonds or portions thereof for redemption and give notice of such redemption in accordance with the terms of Section 4.01. At the option of the City, to be exercised by delivery of a written certificate to the Trustee on or before _____ 1 next preceding any mandatory sinking fund redemption date, it may (a) deliver to the Trustee for cancellation Term Bonds or portions thereof (in the amount of an Authorized Denomination) of the stated maturity subject to such redemption or (b) specify a principal amount of such Term Bonds or portions thereof (in the amount of an Authorized Denomination) which prior to said date have been purchased or redeemed (otherwise than under the provisions of this Section 4.03) and cancelled by the Trustee at the request of the City and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Term Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount of the Term Bonds so delivered to the Trustee by the City against the obligation of the City on such mandatory sinking fund redemption date.

Section 4.04 Payment of Bonds Called for Redemption; Effect of Redemption Call.

(a) Upon surrender to the Trustee or the Trustee’s agent, Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

(b) On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein relating to such Bonds as are to be redeemed and moneys for payment of the redemption price being held in trust to pay the redemption price, the Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Bonds shall cease to accrue, such Bonds shall cease to be entitled to any lien, benefit or security under this Trust Agreement and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price and accrued interest to the redemption date.

(c) Bonds which have been duly called for redemption under the provisions of this Article IV and for the payment of the redemption price of which moneys shall be deposited in the Redemption Fund or otherwise held in trust for the Holders of the Bonds to be redeemed, all as provided in this Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Trust Agreement.

Section 4.05 Selection of Bonds for Redemption; Bonds Redeemed in Part. Whenever provision is made in this Trust Agreement for the redemption of less than all of the Bonds pursuant to Section 4.02, the Trustee shall select the Bonds for redemption as a whole or in part on any date as directed by the City and by lot within each maturity in integral multiples of \$5,000. The Trustee will promptly notify the City in writing of the numbers of the Bonds or portions thereof so selected for redemption. Upon surrender of a Bond to be redeemed in part, the Trustee will authenticate for the registered owner a new Bond or Bonds of the same maturity and tenor equal in principal amount to the unredeemed portion of the Bond surrendered.

ARTICLE V

APPLICATION OF PROCEEDS; SOURCE OF PAYMENT OF BONDS

Section 5.01 Application of Proceeds and City Contribution. The net proceeds of the sale of the Bonds received by the Trustee, \$_____ (\$_____ principal amount, less \$_____ underwriter's discount), shall be deposited by the Trustee as follows:

(i) the sum of \$_____ shall be deposited into the Costs of Issuance Fund;

(ii) the sum of \$_____ shall be transferred to PERS and used to pay the Unfunded Liability relating the Safety Plan; and

(iii) the sum of \$_____ shall be transferred to PERS and used to pay the Unfunded Liability relating the Miscellaneous Plan.

Section 5.02 Sources of Payment of Bonds; Semi-Annual Payments by the City.

(a) The City shall provide for payment of principal or redemption price of and interest on the Bonds from any source of legally available funds of the City. If any Bonds are Outstanding, the City shall, no later than three Business Days preceding each Interest Payment Date beginning _____, deliver funds to the Trustee for deposit to the Revenue Fund in an aggregate

amount equal to the portion of the Annual Debt Service coming due on such Interest Payment Date (less amounts on deposit in the Revenue Fund).

(b) The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City, and shall be subject to appropriation in accordance with Section 8.01 hereof. The Bonds do 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.

ARTICLE VI

CREATION OF CERTAIN FUNDS AND ACCOUNTS

Section 6.01 Creation of Costs of Issuance Fund. There is hereby created a Fund to be held by the Trustee designated “City of Montclair 2021 Taxable Pension Obligation Bonds Costs of Issuance Fund” (the “**Costs of Issuance Fund**”). Funds on deposit in the Costs of Issuance Fund shall be used to pay or to reimburse the City for the payment of Costs of Issuance. Amounts in the Costs of Issuance Fund shall be disbursed by the Trustee upon Written Requisition in the form of Exhibit “B” executed by an Authorized City Representative.

At such time as the City delivers to the Trustee written notice that all Costs of Issuance have been paid or otherwise notifies the Trustee in writing that no additional amounts from the Costs of Issuance Fund will be needed to pay Costs of Issuance, the Trustee shall transfer all amounts then remaining in the Costs of Issuance Fund to the Bond Interest Account of the City unless otherwise directed by the City. At such time as no amounts remain in the Costs of Issuance Fund, such Fund shall be closed.

Section 6.02 Creation of Revenue Fund and Certain Accounts. There is hereby created a Fund to be held by the Trustee designated “City of Montclair 2021 Taxable Pension Obligation Bonds Revenue Fund” (the “**Revenue Fund**”). There are hereby created in the Revenue Fund two separate Accounts designated “**Bond Interest Account**” and “**Bond Principal Account**”.

(a) All amounts received by the Trustee from the City in respect of interest payments on the Bonds shall be deposited in the Bond Interest Account and shall be disbursed to the applicable Bondholders to pay interest on the Bonds. All amounts held at any time in the Bond Interest Account (including amounts deposited pursuant to Section 6.03) shall be held for the security and payment of interest on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Interest Account are insufficient to provide for the payment of such interest, the City shall promptly deposit funds to such Account to cure such deficiency. On June 2 of each year beginning in 2021, so long as no Event of Default has occurred and is continuing, the Trustee shall transfer all amounts on deposit in the Bond Interest Account to the Revenue Fund to be used for any lawful purpose.

(b) All amounts received by the Trustee from the City in respect of principal payments on the Bonds shall be deposited in the Bond Principal Account and all amounts in the Bond Principal Account will be disbursed to pay principal on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Principal Account are insufficient to provide for the payment of such principal, the City shall promptly deposit funds to such Account to cure such deficiency.

(c) The moneys in such Funds and Accounts shall be held by the Trustee in trust and applied as herein provided and, pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued and Outstanding under this Trust Agreement and for the further security of such holders until paid out or transferred as hereinafter provided.

Section 6.03 Creation of Redemption Fund. A Fund to be held by the Trustee is hereby created and designated the “City of Montclair 2021 Taxable Pension Obligation Bonds Redemption Fund” (the “**Redemption Fund**”). All moneys deposited by the City with the Trustee for the purpose of redeeming Bonds shall be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds in the manner, at the times and upon the terms and conditions specified in this Trust Agreement; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon receipt of written instructions from an Authorized City Representative, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges) as directed by the City.

Section 6.04 Moneys Held in Redemption Fund. All moneys which shall have been withdrawn from the Revenue Fund and deposited in the Redemption Fund for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Holders of such Bonds.

Section 6.05 Unclaimed Moneys. Any moneys which shall be set aside or deposited in the Redemption Fund, the Bond Principal Account, the Bond Interest Account or any other Fund or Account for the benefit of Holders of Bonds and which shall remain unclaimed by the Holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by State law) shall be paid to the City, and thereafter the Holders of such Bonds shall look only to the City for payment and the City shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and the Trustee and any Paying Agent shall have no responsibility with respect to any of such moneys.

ARTICLE VII

CONCERNING PAYING AGENT

Section 7.01 Paying Agent; Appointment and Acceptance of Duties. The City hereby appoints the Trustee as the Paying Agent for the Bonds.

Section 7.02 Paying Agent - General Responsibilities.

(a) The City may at any time or from time to time appoint a different Paying Agent or Paying Agents for the Bonds, and each Paying Agent, if other than the Trustee, shall be a commercial bank with trust powers and shall designate to the City and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City under which each such Paying Agent will agree, particularly:

(i) to hold all sums held by it for the payment of the principal of, and premium or interest on, Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(ii) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the City and the Trustee at all reasonable times upon reasonable prior notice; and

(iii) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

(b) The Paying Agent shall perform the duties and obligations set forth in this Trust Agreement, and in particular shall hold all sums delivered to it by the Trustee for the payment of principal or premium of and interest on the Bonds for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided.

(c) In performing its duties hereunder, the Paying Agent shall be entitled to all of the rights, protections and immunities accorded to the Trustee under the terms of this Trust Agreement.

Section 7.03 Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement, whether or not any such committee shall represent the owners of a majority in Total Bond Obligation of the Bonds then Outstanding.

Section 7.04 Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement in accordance with the provisions set forth in this Trust Agreement for the removal of the Trustee by giving at least 60 days' written notice to the City and the other Fiduciaries. Any Paying Agent may be removed at any time upon 30 days prior written notice by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized City Representative. Any successor Paying Agent shall be appointed by the City with the approval of the Trustee and shall be a commercial bank with trust powers or trust company organized under the laws of any state of the United States, having capital stock and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall assign and deliver any moneys and Bonds, including authenticated Bonds, held by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE VIII

COVENANTS OF THE CITY

Section 8.01 Payment of Principal and Interest. The City covenants and agrees that it will duly and punctually pay or cause to be paid the principal, premium, if any, and interest on every Bond at the place and on the dates and in the manner specified herein and in the Bonds, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements

contained herein and in the Bonds and the City agrees that time is of the essence of this Trust Agreement. The obligations of the City under the Bonds, including the obligation to make all payments of principal, premium, if any, and interest when due, are absolute and unconditional, without any right of set-off or counter claim.

The City shall in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal, premium, if any, and interest on the Bonds coming due in such Fiscal Year, but only to the extent that such amounts exceed the amount of available funds then on deposit in the Revenue Fund, and shall make annual appropriations for all such amounts. If such principal, premium, if any, and interest on the Bonds coming due in any Fiscal Year exceeds the sum of amounts budgeted in respect thereof together with amounts then on deposit in the Revenue Fund, then the City shall amend or supplement the budget to provide for such excess amounts. The covenants contained in this Section shall be deemed to be and shall be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Trust Agreement agreed to be carried out and performed by the City.

Section 8.02 Performance of Covenants by City; Authority; Due Execution. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Trust Agreement, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The City covenants that it is duly authorized under the Constitution and laws of the State to issue the Bonds.

Section 8.03 Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all the rights and obligations of the City under and pursuant to this Trust Agreement. The City shall, upon the reasonable request of the Trustee, from time to time execute and deliver such further instructions and take such further action as may be reasonable and as may be required to effectuate the purposes of this Trust Agreement or any provisions hereof; provided, however, that no such instruments or actions shall pledge the full faith and credit or the taxing powers of the State.

Section 8.04 No Inconsistent Action. The City covenants that no contract or contracts will be entered into or any action taken by the City which shall be inconsistent with the provisions of this Trust Agreement.

Section 8.05 No Adverse Action. The City covenants that it will not take any action which will have a material adverse effect upon the rights of the Holders of the Bonds.

Section 8.06 Maintenance of Powers. The City covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to applicable law and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

Section 8.07 Covenants of City Binding on Successors.

(a) All covenants, stipulations, obligations and agreements of the City contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law. If the powers or duties of the City shall hereafter be transferred by amendment of any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the City, and if such transfer shall relate to any matter or thing permitted or required to be done under this Trust Agreement by the City, then the entity that shall succeed to such powers or duties of the City shall act and be obligated in the place and stead of the City as provided in this Trust Agreement, and all such covenants, stipulations, obligations and agreements herein shall be binding upon such successor or successors thereof from time to time and upon any officer, board, body, district, authority or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

(b) Except as otherwise provided in this Trust Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the City by the provisions of this Trust Agreement shall be exercised or performed by the City or by such officers, board, body, district, authority or commission as may be required by law to exercise such powers or to perform such duties.

Section 8.08 Trust Agreement to Constitute a Contract. This Trust Agreement is executed by the City for the benefit of the Bondholders and constitutes a contract with the Bondholders.

Section 8.09 City to Perform Pursuant to Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under this Trust Agreement; provided, however, the obligations of the City to comply with the provisions of the Continuing Disclosure Certificate shall be enforceable by any Participating Underwriter or any Holder of Outstanding Bonds, or by the Trustee on behalf of the Holders of Outstanding Bonds; provided, further, that the Trustee shall not be required to take any enforcement action whatsoever except at the written direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with security and indemnity to its satisfaction, including without limitation, attorney's fees and expenses. The Participating Underwriter's, Holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under the Continuing Disclosure Certificate. Notwithstanding the foregoing, the City shall be entitled to amend or rescind the Continuing Disclosure Certificate to the extent permitted by law.

ARTICLE IX

INVESTMENTS

Section 9.01 Investments Authorized. Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Permitted Investments pending application as provided herein solely at the prior written direction of an Authorized City Representative, shall be registered in the name of the Trustee where applicable, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Pacific time on the last Business Day before the date on which a

Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in investments authorized under clause (8) contained in the definition of "Permitted Investments." The Trustee may rely on the City's certification in such investment instructions that such investments are permitted by law and by any policy guidelines promulgated by the City. Money held in any fund or account hereunder may be commingled for purposes of investment only.

The Trustee may, with the prior written approval of an Authorized City Representative, purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 9.01. Any investments and reinvestments shall be made after giving full consideration to the time at which funds are required to be available hereunder and to the highest yield practicably obtainable giving due regard to the safety of such funds and the date upon which such funds will be required for the uses and purposes required by this Trust Agreement. The Trustee or any of its affiliates may act as agent in the making or disposing of any investment and may act as sponsor or advisor with respect to any Permitted Investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

Section 9.02 Reports. The Trustee shall furnish monthly to the City a report of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

Section 9.03 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account hereunder, all Permitted Investments shall be valued at the market value thereof not later than July 1 of each year. With the prior written approval of an Authorized City Representative, the Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal or disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

Section 9.04 Application of Investment Earnings. Investments in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and any profit realized from such investment shall be credited to such Fund or Account and any loss resulting from such investment shall be charged to such Fund or Account. Interest earnings on investments in any Fund or Account shall be deposited in the Bond Interest Account of the Revenue Fund.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Bonds; Release of Trust Agreement. Bonds or portions thereof (such portions to be in an Authorized Denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be entitled to the benefits of this Trust Agreement except for the purposes of payment from moneys and Defeasance Securities. When all Bonds which have been issued under this Trust Agreement have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the City, including all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents, have been paid or are duly provided for, then the Trustee shall cancel, discharge and release this Trust Agreement, shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to

evidence such release and such satisfaction and discharge and shall assign and deliver to the City any amounts at the time subject to this Trust Agreement which may then be in the Trustee's possession, except funds or securities in which such funds are invested and held by the Trustee or the Paying Agents for the payment of the principal, premium, if any, and interest on the Bonds.

Section 10.02 Bonds Deemed Paid.

(a) A Bond shall be deemed to be paid within the meaning of this Article XI and for all purposes of this Trust Agreement when (i) payment with respect thereto of the principal, interest and premium, if any, either (1) shall have been made or caused to be made in accordance with the terms of the Bonds and this Trust Agreement or (2) shall have been provided for, as certified to the Trustee by a Consultant who is a certified public accountant, by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment: (x) moneys sufficient to make such payment, and/or (y) Defeasance Securities maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (ii) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or provision made for the payment thereof. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of payment from such moneys and Defeasance Securities.

(b) Notwithstanding the foregoing paragraph, no deposit under clause (i)(2) of the immediately preceding paragraph shall be deemed a payment of such Bonds until (i) proper notice of redemption of such Bonds shall have been given in accordance with Section 4.01, or in the event such Bonds are not to be redeemed within the next succeeding 60 days, until the City shall have given the Trustee irrevocable instructions to notify, as soon as practicable, the holders of the Bonds in accordance with Section 4.01, that the deposit required by clause (i)(2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article XI and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and unpaid interest on such Bonds; or (ii) the maturity of such Bonds.

ARTICLE XI

DEFAULTS AND REMEDIES

Section 11.01 Events of Default. Each of the following events shall constitute and is referred to in this Trust Agreement as an “**Event of Default**”:

(a) a failure to pay the principal or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a) and (b) of this Section 11.01) contained in the Bonds or in this Trust Agreement on the part of the City to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee; provided, however, that the Trustee shall

be deemed to have agreed to an extension of such period if corrective action is initiated by the City within such period and is being diligently pursued; or

(d) if the City files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself.

Upon its actual knowledge of the occurrence of any Event of Default, the Trustee shall immediately give written notice thereof to the City.

Section 11.02 Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and shall upon the written direction of the holders of a majority of the Total Bond Obligation of the Bonds then Outstanding and, in each case, receipt of indemnity to its satisfaction, in its own name and as the Trustee of an express trust:

(1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders hereunder, as the case may be, and require the City to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Refunding Law or any other law to which it is subject and this Trust Agreement; provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Trust Agreement;

(2) bring suit upon the defaulted Bonds;

(3) commence an action or suit in equity to require the City to account as if it were the trustee of an express trust for the Bondholders; or

(4) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders hereunder.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 11.03 Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Trust Agreement shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 11.04 Bondholders' Right to Direct Proceedings on their Behalf. Anything in this Trust Agreement to the contrary notwithstanding, Holders of a majority in Total Bond Obligation shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings on their behalf available to the Trustee under this Trust Agreement to be taken in connection with the enforcement of the terms of this Trust Agreement or exercising any trust or power conferred on the Trustee by this Trust Agreement; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Trust Agreement and that there shall have been provided to the Trustee security and indemnity

satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee; provided further that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 11.05 Limitation on Bondholders' Rights to Institute Proceedings. No owner of any Bond shall have the right to institute any suit, action or proceeding at law in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, or applicable law with respect to such Bond, unless (a) such owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the owners of not less than a majority in Total Bond Obligation shall have made written request upon the Trustee to exercise the powers heretofore granted or to institute such suit, action or proceeding in its own name; (c) such owner or said owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or failed to comply with such request for a period of 60 days after such written request shall have been received by and said tender of indemnity shall have been made to, the Trustee and (e) the Trustee shall not have received contrary directions from the owners of a majority in aggregate principal amount of the Total Bonds Obligation.

Section 11.06 No Impairment of Right to Enforce Payment. Notwithstanding any other provision in this Trust Agreement, the right of any Bondholder to receive payment of the principal of and interest on such Holder's Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Section 11.07 Proceedings by Trustee Without Possession of Bonds. All rights of action under this Trust Agreement or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, as the case may be, subject to the provisions of this Trust Agreement.

Section 11.08 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Trust Agreement or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 11.08.

Section 11.09 No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder 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 of any such default, or an acquiescence therein and every power and remedy given by this Article XII to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.10 Application of Moneys.

(a) Any moneys received by the Trustee for the benefit of Bondholders, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this

Article XII, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including without limitation reasonable fees and reasonable expenses of its attorneys), shall be deposited in the Revenue Fund and all moneys so deposited in the Revenue Fund during the continuance of an Event of Default shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum borne by the Bonds, as the case may be, in the order of maturity of the installments of such interest (if the amount available for such interest installments shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment), and if the amount available for such interest shall not be sufficient to make payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due and (ii) second, to the payment to the persons entitled thereto of the unpaid principal, as applicable, of any of the Bonds which shall have become due with interest on such Bonds at their respective rate from the respective dates upon which they became due (if the amount available for such unpaid principal and interest shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege among Holders of Bonds), and, if the amount available for such principal and interest shall not be sufficient to make full payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section 11.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 11.11 Severability of Remedies. It is the purpose and intention of this Article XII to provide rights and remedies to the Trustee and the Bondholders which may be lawfully granted under the provisions of applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Trust Agreement and by applicable law.

Section 11.12 Additional Events of Default and Remedies. So long as any Bonds are Outstanding, the Events of Default and remedies as set forth in this Article XII may be supplemented with additional Events of Default and remedies as set forth from time to time in a supplemental agreement.

ARTICLE XII

TRUSTEE; REGISTRAR

Section 12.01 Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Trust Agreement, but only upon the additional terms set

forth in this Article XIII, to all of which the City agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

Section 12.02 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee need perform only those duties that are specifically set forth in this Trust Agreement and no others; and

(ii) in the absence of negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Trust Agreement.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 12.02;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or fails to take in good faith in accordance with a direction received by it from Bondholders or the City in the manner provided in this Trust Agreement; and

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Trust Agreement that in any way relates to the Trustee is subject to all the paragraphs of this Section 12.02.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity reasonably satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the City.

Section 12.03 Rights of Trustee.

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the City, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Trust Agreement or of the Bonds or of any Permitted Investment and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly assigned to or imposed upon it herein or in the Bonds. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Trust Agreement.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the opinion of such counsel shall be authorization for any action taken or not taken in reliance on such opinion, but the Trustee shall be answerable for the negligence or misconduct of any such attorney, agent or receiver selected by it.

(c) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the City, personally or by agent or attorney.

(e) The Trustee shall not be responsible for the application or handling by the City of any moneys transferred to or pursuant to any requisition or request of the City in accordance with the terms and conditions hereof.

(f) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article XIII.

(g) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(h) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other

party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(i) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Trust Agreement provided, however, that: (x) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (y) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (z) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 12.04 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

Section 12.05 Trustee's Disclaimer. The Trustee makes no representations as to the validity or adequacy of this Trust Agreement or the Bonds, it shall not be accountable for the City's use of the proceeds from the Bonds paid to the City and it shall not be responsible for any statement in any official statement or other disclosure document or in the Bonds other than its certificate of authentication.

Section 12.06 Notice of Defaults. If an event occurs which with the giving of notice or lapse of time or both would be an Event of Default, and if the event is continuing and if it is actually known to the Trustee, the Trustee shall mail to each Bondholder notice of the event within 90 days after it occurs. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice to Bondholders if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

Section 12.07 Compensation of Trustee. The City shall from time to time, but only in accordance with a written agreement in effect with the Trustee, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. The Trustee shall not otherwise have any claims or lien for payment of compensation for its services against any other moneys held by it in the funds or accounts established hereunder, except as provided in Section 11.10, but may take whatever legal actions are lawfully available to it directly against the City. To the extent permitted by applicable law, the City agrees to indemnify and save the Trustee, its officers, employees, directors and agents, harmless against any costs, expenses, claims or liabilities whatsoever, including, without limitation, fees and expenses of its attorneys, that it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The agreement contained in this Section shall survive the payment of the Bonds, the discharge of this Trust Agreement and the appointment of a successor trustee.

Section 12.08 Eligibility of Trustee. This Trust Agreement shall always have a Trustee that is a trust company, a bank or association having trust powers and is organized and doing business under the laws of the United States or any state or the District of Columbia, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least \$100,000,000 as set forth in its most recent published annual report of condition.

Section 12.09 Replacement of Trustee.

(a) The Trustee may resign as trustee hereunder by notifying the City in writing prior to the proposed effective date of the resignation. The Holders of a majority in Total Bond Obligation of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the City's consent. The City may remove the Trustee, by notice in writing delivered to the Trustee 30 days prior to the proposed removal date; provided, however, that the City shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing unless (i) the Trustee fails to comply with the foregoing Section, (ii) the Trustee is adjudged a bankrupt or an insolvent, (iii) the Trustee otherwise becomes incapable of acting or (iv) the City determines that the Trustee's services are no longer satisfactory to the City. No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office. If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Trust Agreement, the City shall promptly appoint a successor Trustee.

(b) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Trust Agreement. If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the City delivers notice of removal, the retiring Trustee, the City or the Holders of a majority in Total Bond Obligation of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 12.10 Successor Trustee or Agent by Merger. If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust business) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

Section 12.11 Registrar. The City shall appoint the Registrar for the Bonds and may from time to time remove a Registrar and name a replacement upon notice to the Trustee. The City hereby appoints the Trustee as Registrar. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the City its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Trustee, and the Paying Agent at all reasonable times.

Section 12.12 Other Agents. The City or the Trustee may from time to time appoint other agents to perform duties and obligations under this Trust Agreement which agents may include, but not be limited to, authenticating agents all as provided by resolution of the City.

Section 12.13 Several Capacities. Anything in this Trust Agreement to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, Registrar and any other agent as appointed to perform duties or obligations under this Trust Agreement or an escrow agreement, or in any combination of such capacities, to the extent permitted by law.

Section 12.14 Accounting Records and Reports of Trustee.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all Funds and Accounts established pursuant to this Trust Agreement and held by the Trustee. Such books of record and account shall be available for inspection by the City and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish to the City and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost), on an annual basis (or, with respect to the City, such other interval that the City may request), a complete financial statement (which may be its regular account statements and which need not be audited) covering receipts, disbursements, allocation and application of moneys in any of the funds and accounts established pursuant to this Trust Agreement for the preceding year.

Section 12.15 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

ARTICLE XIII

MODIFICATION OF THIS TRUST AGREEMENT

Section 13.01 Limitations. This Trust Agreement shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds except as provided in and in accordance with and subject to the provisions of this Article XIV.

Section 13.02 Supplemental Agreements Not Requiring Consent of Bondholders.

(a) The City may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver supplemental agreements supplementing and/or amending this Trust Agreement as follows:

(i) to cure any defect, omission, inconsistency or ambiguity in this Trust Agreement;

(ii) to add to the covenants and agreements of the City in this Trust Agreement other covenants and agreements, or to surrender any right or power reserved or conferred upon the City, and which shall not adversely affect the interests of the Bondholders;

(iii) to confirm, as further assurance, any interest of the Trustee in and to the Funds and Accounts held by the Trustee or in and to any other moneys, securities or funds of the City provided pursuant to this Trust Agreement or to otherwise add security for the Bondholders;

(iv) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(v) to modify, alter, amend or supplement this Trust Agreement in any other respect which, in the judgment of the City, is not materially adverse to the Bondholders;

(vi) to qualify the Bonds for a rating or ratings by any Rating Agency; and

(vii) to authorize the issuance of Additional Bonds in accordance with this Trust Agreement.

(b) Before the City shall, pursuant to this Section 14.02, execute any supplemental agreement there shall have been delivered to the City an opinion of Bond Counsel to the effect that such supplemental agreement (i) is authorized or permitted by this Trust Agreement and the Refunding Law, and (ii) will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms, subject to the typical exceptions.

Section 13.03 Supplemental Agreement Requiring Consent of Bondholders.

(a) Except for any supplemental agreement entered into pursuant to Section 14.02, the Holders of not less than a majority in Total Bond Obligation shall have the right from time to time to consent to and approve the execution by the City of any supplemental agreement deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in a supplemental agreement; provided, however, that, unless approved in writing by the Holders of all the Bonds then Outstanding, nothing contained herein shall permit or be construed as permitting (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing contained herein, including the provisions of Section 14.03(b) below, shall, unless approved in writing by the Holders of all the Bonds then Outstanding, permit or be construed as permitting (1) a preference or priority of any Bond or Bonds over any other Bond or Bonds or (2) a reduction in the aggregate principal amount of Bonds the consent of the Holders of which is required for any such supplemental agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Holders of the execution of any supplemental agreement as authorized in Section 14.02.

(b) If at any time the City shall desire to enter into any supplemental agreement for any of the purposes of this Section 14.03, the City shall cause notice of the proposed execution of the supplemental agreement to be given by Mail to all Holders. Such notice shall briefly set forth the nature of the proposed supplemental agreement and shall state that a copy thereof is on file at the office of the City for inspection by all Holders.

(c) Within two weeks after the date of the first mailing of such notice, the City may execute and deliver such supplemental agreement in substantially the form described in such notice, but only if there shall have first been delivered to the City (i) the required consents, in writing, of Holders and (ii) an opinion of Bond Counsel stating that such supplemental agreement is authorized or permitted by this Trust Agreement and other applicable law, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms.

(d) If Holders of not less than the percentage of Bonds required by this Section 14.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Holders shall have any right to object to the adoption of such supplemental agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 13.04 Effect of Supplemental Agreements. Upon execution and delivery of any supplemental agreement pursuant to the provisions of this Article XIV, this Trust Agreement and all supplemental agreements shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement and all supplemental agreements of the City, the Trustee, the Registrar, any Paying Agent and all Holders shall thereafter be determined, exercised and enforced under this Trust Agreement and all supplemental agreements, subject in all respects to such modifications and amendments.

Section 13.05 Supplemental Agreements to be Part of this Trust Agreement. Any supplemental agreement adopted in accordance with the provisions of this Article XIV shall thereafter form a part of this Trust Agreement or the supplemental agreement which they supplement or amend, and all of the terms and conditions contained in any such supplemental agreement as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Agreement which they supplement or amend for any and all purposes.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01 Parties in Interest. Except as herein otherwise specifically provided, nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Paying Agent, the Trustee, and the Bondholders any right, remedy or claim under or by reason of this Trust Agreement, this Trust Agreement being intended to be for the sole and exclusive benefit of the City, the Paying Agent, the Trustee and the Bondholders.

Section 14.02 Severability. In case any one or more of the provisions of this Trust Agreement, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or of Bonds, and this Trust Agreement and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 14.03 No Personal Liability of City Officials; Limited Liability of City to Bondholders.

(a) No covenant or agreement contained in the Bonds or in this Trust Agreement shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the City in his individual capacity, and neither the members of the City Council of the City nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(b) Except for the payment when due of the payments and the observance and performance of the other agreements, conditions, covenants and terms required to be performed by it contained in this Trust Agreement, the City shall not have any obligation or liability to the Bondholders with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the payments by the Trustee, or with respect to the performance by the Trustee of any obligation required to be performed by it contained in this Trust Agreement.

Section 14.04 Execution of Instruments; Proof of Ownership.

(a) Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(i) the fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; and

(ii) the ownership of Bonds shall be proved by the registration books kept under the provisions of Section 3.01 hereof;

(b) Nothing contained in this Section 15.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the City in pursuance of such request or consent.

Section 14.05 Governing Law; Venue. This Trust Agreement is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Trust Agreement initiates any legal or equitable action to enforce the terms of this Trust Agreement, to declare the rights of the parties under this Trust Agreement or which relates to this Trust Agreement in any manner, each such party agrees that the place of making and for performance of this Trust Agreement shall be the City of Montclair, State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the City of Montclair.

Section 14.06 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Trust Agreement or the Bonds must be in writing except as expressly provided otherwise in this Trust Agreement or the Bonds.

(b) Except as otherwise required herein, all notices required or authorized to be given to the City, the Trustee and Paying Agent pursuant to this Trust Agreement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses:

1. if to the City, to:

City of Montclair
5111 Benito Street
Montclair, California 91763
Attention: City Manager
Telephone: (909) 626-8571

2. if to the Trustee and Paying Agent, to:

Attention: Corporate Trust
Ref: City of Montclair POB

or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

Section 14.07 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Trust Agreement be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

Section 14.08 Captions. The captions and table of contents in this Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Trust Agreement.

Section 14.09 Counterparts. This Trust Agreement may be signed in several counterparts, each of which will be an original, but all of them together constitute the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement by their officers thereunto duly authorized as of the date first above written.

CITY OF MONTCLAIR

By: _____
City Manager

ATTEST:

City Clerk

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT "A"

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of Montclair or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. _____

\$ _____

**CITY OF MONTCLAIR
2021 TAXABLE PENSION OBLIGATION BONDS**

Neither the faith and credit nor the taxing power of the State of California or any public agency is pledged to the payment of the principal of, or interest on, this Bond.

<i>Maturity</i>	<i>Interest Rate Per Annum</i>	<i>Dated Date</i>	<i>CUSIP NO.</i>
____ 1, ____	____ %	____, 2021	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THE CITY OF MONTCLAIR, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California, for value received, hereby promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above together with interest on such principal sum at the rates determined as herein provided on each Interest Payment Date (hereinafter defined) from the Interest Payment Date next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from its Dated Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available for payment, from its Dated Date. The

principal hereof and premium, if any, hereon are payable when due upon presentation hereof at the Principal Office of U.S. BANK NATIONAL ASSOCIATION, as trustee (together with any successor as trustee under the Trust Agreement (hereinafter defined), the “**Trustee**”), in lawful money of the United States of America.

This Bond is one of a duly authorized issue of City of Montclair 2021 Taxable Pension Obligation Bonds (the “**Bonds**”) of the designation indicated on the face hereof. Said authorized issue of Bonds is limited in aggregate principal amount as provided in the Trust Agreement and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as provided in the Trust Agreement, all issued and to be issued pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”). This Bond is issued pursuant to the Trust Agreement dated as of _____ 1, 2021 by and between the City of Montclair and _____, as trustee, providing for the issuance of the Bonds and setting forth the terms and authorizing the issuance of the Bonds (said Trust Agreement as amended, supplemented or otherwise modified from time to time being the “**Trust Agreement**”). Reference is hereby made to the Trust Agreement and to the Refunding Law for a description of the terms on which the Bonds are issued and to be issued, and the rights of the registered owners of the Bonds; and all the terms of the Trust Agreement and the Refunding Law are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.

The City is required under the Trust Agreement to make payments on the Bonds from any source of legally available funds. The City has covenanted to make the necessary annual appropriations for such purpose.

The obligation of the City to make payments on the Bonds 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.

This Bond is one of the Bonds described in the Trust Agreement.

Interest on Bonds

Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds or the principal portion thereof called for redemption will cease to bear interest after the specified redemption date, provided that notice has been given pursuant to the Trust Agreement and sufficient funds for redemption are on deposit at the place of payment on the redemption date.

Redemption of Bonds

Optional Redemption. The Bonds maturing on or after _____ 1, 20__ may be redeemed at the option of the City from any source of funds on any date on or after _____ 1, 20__ in whole or in part from such maturities as are selected by the City and by lot within a maturity at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing _____ 1, 20__ (the “**20__ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date</i> (____ 1)	<i>Principal Amount</i>
------------------------------------	-------------------------

* Final maturity.

The Bonds maturing _____ 1, 20__ (the “**20__ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date</i> (____ 1)	<i>Principal Amount</i>
------------------------------------	-------------------------

* Final maturity.

Certain Defined Terms

“**Interest Payment Date**” means _____ 1 and _____ 1 of each year, commencing _____.

“**Record Date**” means the fifteenth day of each calendar month preceding any Interest Payment Date, regardless of whether such day is a Business Day.

Other Provisions

The rights and obligations of the City and of the holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Trust Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time,

form and manner, as required by the Constitution and statutes of the State of California, and that this Bond, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement or the Refunding Law.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, THE CITY OF MONTCLAIR, a general law city duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California, has caused this Bond to be executed in its name and on its behalf by the Mayor of the City Council, and attested by the City Clerk, and this Bond to be dated as of the Dated Date.

CITY OF MONTCLAIR

By: _____
Its: Mayor

ATTEST:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-mentioned Trust Agreement and authenticated the date set forth below.

Dated: _____, 2021

U.S. BANK NATIONAL ASSOICATION, as Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received _____ hereby sells, assigns and transfers unto _____ (Tax I.D. No.: _____) the within Bond and hereby irrevocably constitute and appoints _____ attorney, to transfer the same on the books of the City at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by: _____

NOTE: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT "B"

FORM OF REQUISITION

TO: _____

City of Montclair Use Only
Request No. __

DISBURSEMENT REQUEST: REGARDING \$ _____ CITY OF MONTCLAIR 2021
TAXABLE PENSION OBLIGATION BONDS

You are hereby requested to pay from the Costs of Issuance Fund established by the Trust Agreement with respect to the above-referenced bonds, to the person, corporation or other entity designated below as Payee, the sum set forth below such designation, in payment of all () or a portion () of the Costs of Issuance described below.

Name of Payee: _____

Address: _____

Amount: \$ _____

Method of Payment: _____

Service Provided: _____

The undersigned hereby certifies that:

- (i) s/he is an Authorized City Representative;
- (ii) this requisition for payment is in accordance with the terms and provisions of Section 6.01 of the Trust Agreement;
- (iii) each item to be paid with the requisitioned funds represents either incurred or due and payable Costs of Issuance;
- (iv) such Costs of Issuance have not been paid from other funds withdrawn from the Costs of Issuance Fund; and
- (v) to the best of the signatory's knowledge no Event of Default has occurred and is continuing under the Trust Agreement.

Dated: _____

CITY OF MONTCLAIR

By: _____

Name:

Title:

Exhibit 2

§
City of Montclair
2021 Taxable Pension Obligation Bonds

Bond Purchase Agreement

, 2021

City of Montclair
5111 Benito Street
Montclair, California 91763

Ladies and Gentlemen:

The undersigned, Hilltop Securities Inc. (the “Underwriter”), hereby offers to enter into the following agreement (this “Purchase Agreement”) with the City of Montclair (the “City”) which, upon the City’s execution of this agreement, will be binding upon the City and upon the Underwriter. This offer is made subject to the written acceptance hereof by the City prior to 9:00 p.m., California time, on the date hereof, as evidenced by the signature of the City Manager of the City in the space provided herein.

The City acknowledges and agrees that (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the City, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City or any other person or entity and has not assumed a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City on other matters), (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, and (iv) the City has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board, which have been received by the City.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter at the Closing Time on the Closing Date (both as defined herein), all and not less than all, of the aggregate principal amount of its 2021 Taxable Pension Obligation Bonds (the “Bonds”). The Bonds shall be dated the Closing Date, shall mature on the dates, and bear interest at the rates per annum, shown on Exhibit A hereto. Interest on the Bonds shall be payable on June 1 and December 1 of each year, commencing December 1, 2021. The price at which the Underwriter is to purchase the

Bonds shall be \$ _____ in immediately available funds (being the aggregate principal amount thereof, less an Underwriter's discount of \$ _____). (The date of such payment and delivery is referred to herein as the "Closing Date," the hour and date of such delivery and payment is referred to herein as the "Closing Time," and the other actions contemplated hereby to take place at the time of such payment and delivery are sometimes referred to herein as the "Closing").

Section 2. The Bonds. The Bonds shall be issued and secured pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law") and the Trust Agreement, dated as of May 1, 2021 (the "Trust Agreement"), between the City and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Trust Agreement.

The City is a member of the California Public Employees' Retirement System ("CalPERS"), and as such, is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "Retirement Law"), and the contract between the Board of Administration of CalPERS and the City Council of the City, effective January 1, 1946, as amended (the "CalPERS Contract"), to (i) make contributions to CalPERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes. The Bonds are being issued to pay the City's currently unamortized, unfunded accrued liability to CalPERS, pay interest on the Bonds on _____, 2021 and to pay the costs of issuance of such Bonds.

The Bonds shall be payable and shall be subject to redemption as provided in the Trust Agreement and shall be as described in the Preliminary Official Statement of the City dated _____, 2021 (the "Preliminary Official Statement") and the Official Statement of the City dated of even date herewith. Such Preliminary Official Statement, including the cover page, the inside cover and the appendices thereto, relating to the Bonds, as amended to include the terms of this Purchase Agreement with respect to pricing and interest rates and with such changes and amendments thereto as have been mutually agreed to by the City and the Underwriter, is hereinafter referred to as the "Official Statement."

The City will undertake pursuant to the Trust Agreement and a Continuing Disclosure Certificate, dated _____, 2021 (the "Disclosure Certificate"), and executed by the City, to provide certain annual information and notices of the occurrence of certain events, if material. A description of the undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

The Trust Agreement, the Disclosure Certificate and this Purchase Agreement are collectively referred to herein as the "Legal Documents." The resolution of the City adopted on May 3, 2021 approving the Legal Documents, the issuance of the Bonds, and related matters are collectively herein referred to as the "Resolution."

Section 3. Offering by the Underwriter. It shall be a condition to the City's obligations to sell and to deliver the Bonds to the Underwriter, and to the Underwriter's obligation to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall

be issued, sold and delivered by the City for sale to the Underwriter, and purchased, accepted and paid for by the Underwriter at the Closing. It is understood that the Underwriter proposes to offer the Bonds for sale to the public (which may include selected dealers and special purchasers) at the yield as set forth in Exhibit A hereto and on the inside cover page of the Official Statement. Concessions from the public offering price may be allowed to selected dealers and special purchasers. It is understood that the initial public offering price and concessions set forth in the Official Statement may vary after the initial public offering. It is further understood that the Bonds may be offered to the public at prices other than the par value thereof. The net premium on the sale of the Bonds to the public, if any, shall accrue to the benefit of the Underwriter. The Underwriter hereby represents that it has the full right, power and authority to enter into this Purchase Agreement.

Section 4. Official Statement, Delivery of Other Documents, Use of Documents.

(a) The City hereby authorizes the use by the Underwriter of the Preliminary Official Statement and the Official Statement (including any supplements or amendments thereto), the Trust Agreement and the Continuing Disclosure Certificate and the information therein contained, in connection with the public offering and sale of the Bonds. The Preliminary Official Statement is 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)(1) of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”). The City has delivered to the Underwriter a certification to such effect in the form acceptable to the Underwriter.

(b) The City shall deliver to the Underwriter, within seven (7) business days from the date hereof, such number of copies (including in electronic form) of the final Official Statement executed on behalf of and approved for distribution by the City as the Underwriter may reasonably request in order for the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board (the “MSRB”) and paragraph (b)(4) of Rule 15c2-12.

(c) As soon as practicable following receipt thereof, the Underwriter shall deliver the Official Statement, and any supplements or amendments thereto, to a nationally recognized municipal securities information repository.

Section 5. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California.

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the Legal Documents and to execute and deliver the Official Statement; (ii) to sell, issue and deliver the Bonds to the Underwriter under the Refunding Law, as provided in this Purchase Agreement; and (iii) to carry out and consummate the transactions on its part contemplated by the Legal Documents.

(c) By all necessary official action, the City has duly authorized and approved the Legal Documents and the Official Statement, has duly authorized and approved the execution

and delivery of, and the performance by the City of the obligations in connection with the issuance of the Bonds on its part contained in the Trust Agreement and this Purchase Agreement, and the consummation by it of all other transactions contemplated by the Legal Documents in connection with the issuance of the Bonds.

(d) As of the date hereof, to the best of its knowledge, the City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any City or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Trust Agreement) or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the Trust Agreement, 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 event of default under any such instrument; and the execution and delivery of the Legal Documents and the Official Statement, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Trust Agreement.

(e) To the best of the City's knowledge, except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, City or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the issuance of the Bonds under this Purchase Agreement or the Trust Agreement have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) Except as disclosed in the Official Statement, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, notice of which has been served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Purchase Agreement, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge and lien on the funds and accounts held under the Trust Agreement or any other monies pledged to the payment of the Bonds pursuant to the Trust Agreement, or contesting or affecting as to the City the validity or enforceability of the Refunding Law or the Legal Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City for, or the execution and delivery or adoption by the City of, the Legal Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of

the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Refunding Law, or the authorization, execution, delivery or performance by the City of the Legal Documents.

(g) The Trust Agreement, the Continuing Disclosure Certificate and the Bonds when issued, will conform to the descriptions thereof contained in the Official Statement under the captions “INTRODUCTION,” “THE BONDS,” “SOURCE OF PAYMENT FOR THE BONDS,” “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT” and “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

(h) The Bonds, when issued, authenticated and delivered in accordance with the Trust Agreement will be validly issued and outstanding obligations of the City, entitled to the benefits of the Trust Agreement, and upon such issuance and delivery, the Trust Agreement will provide, for the benefit of the owners from time to time of the Bonds, the legally valid and binding pledge of and lien and security interest they purport to create in the funds and accounts held under the Trust Agreement and certain other moneys pledged therefor in the Trust Agreement. The obligation of the City to make payments on the Bonds is a general fund obligation of the City, imposed upon the City by law and enforceable against the City pursuant to the Retirement Law.

(i) The City is in compliance in all material respects with the Retirement Law to the extent applicable to it and has received no notice to the contrary from any governmental entity or agency. Upon issuance of the Bonds and consummation of the transactions contemplated by the Legal Documents, the City’s current unfunded accrued actuarial liability to CalPERS, if any, will not have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents. No event has occurred and is continuing which could result in a material contribution deficiency or a material liability of the City to CalPERS.

(j) All financial statements of the City furnished to the Underwriter in connection with the Bonds were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved. Since the date of the most recent financial statements referred to in the preceding sentence, no material adverse change has occurred in the business, operations, or financial condition of the City.

(k) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and provided, further, that the Underwriter shall bear all costs in connection with the City’s action under (i) and (ii) herein.

(l) As of the date thereof, the Preliminary Official Statement does not, except for the omission of certain information permitted to be omitted in accordance with Rule 15c2-12, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(m) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in paragraph (o) of this Section 5) at all times subsequent thereto up to and including the Closing Date, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) If the Official Statement is supplemented or amended pursuant to paragraph (q) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(o) If between the date of this Purchase Agreement and that date which is twenty-five (25) days after the end of the underwriting period (as determined in accordance with Section 13 hereof) any event known to the City shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter.

(p) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the Trust Agreement, this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(q) The City will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Trust Agreement and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Trust Agreement, the City will not issue or sell any bonds or other obligations, other than the Bonds sold thereby, the interest on and premium, if any, or principal of which will be payable from moneys pledged under the Trust Agreement.

(r) At or prior to the Closing, the City shall have duly authorized, executed and delivered the Continuing Disclosure Certificate which complies with the provisions of paragraph (b)(5) of Rule 15c2-12 and which shall be substantially in the form presented as Appendix D to the Official Statement.

Section 6. Closing. At 8:00 a.m., California time, on _____, 2021, or on such earlier date or as soon thereafter as practicable, as may be mutually agreed upon by the City and the Underwriter, the City will deliver, or the City will cause the Trustee to deliver on behalf of the City, to or at the direction of the Underwriter, the Bonds, in definitive form duly executed by the City, subject to the terms and conditions hereof and together with the other documents hereinafter mentioned. The Underwriter will accept such delivery and will pay the purchase price of the Bonds at the offices of Nixon Peabody LLP, Los Angeles, California (“Bond Counsel”) as set forth in Paragraph 1 hereof by delivering Federal or other immediately available funds in the amount of such purchase price to the Trustee. The Bonds shall be prepared in book-entry form and registered in the name of Cede & Co. at the direction of the Underwriter.

Section 7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Legal Documents shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) At the time of the Closing, all necessary official action of the City and of the other parties thereto relating to the Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the City or the Bonds, as the foregoing matters are described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed by a designated officer of the City;

(2) A copy of the Trust Agreement, executed by the City and the Trustee;

(3) A certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that the representations and warranties of the City contained herein are true and correct as of the Closing Date;

(4) An opinion (the “Final Approving Legal Opinion”) dated the Closing Date and addressed to the City, of Bond Counsel, in substantially the form included as Appendix C to the Official Statement, with respect to the Bonds, accompanied by a reliance letter from Bond Counsel to the effect that such opinion may be relied upon by the Underwriter with the same effect as if such opinion were addressed to it (which reliance letter may be incorporated in the supplemental opinion to be delivered pursuant Item (5) below);

(5) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in substantially the form attached hereto as Exhibit B;

(6) Negative assurance letter, dated the Closing Date and addressed to the City and the Underwriter, of Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel, in substantially the forms attached hereto as Exhibit C;

(7) An opinion, dated the Closing Date and addressed to the Underwriter, of Robbins & Holdaway, Attorneys at Law, counsel to the City, substantially in the form attached hereto as Exhibit D;

(8) A certificate of the City Clerk of the City, dated the date of Closing and in form and substance satisfactory to the Underwriter, to the effect that the Resolution has been duly adopted by the City and remains in full force and effect;

(9) An opinion of counsel to the Trustee dated the Closing Date and addressed to the City and the Underwriter, in form and substance satisfactory to the Underwriter, to the effect that:

(i) The Trustee has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States of America with full corporate power to undertake the trust of the Trust Agreement;

(ii) The Trustee has duly authorized, executed and delivered the Trust Agreement and the Continuing Disclosure Certificate (together, the “Trustee Documents”), and by all proper corporate action has authorized the acceptance of the duties and obligations of the Trustee under the Trustee Documents and to authorize in its capacity as trustee thereunder the authentication and delivery of the Bonds;

(iii) Assuming due authorization, execution and delivery by the City, the Trustee Documents are valid, legal and binding agreements of the Trustee, enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting

the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(iv) Exclusive of federal or state securities laws and regulations, to the best of such counsel's knowledge after reasonable inquiry and investigation, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filings such counsel believes, after reasonable inquiry and investigation, to have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Trustee Documents or the authentication and delivery of the Bonds;

(v) To the best of such counsel's knowledge, the execution and delivery by the Trustee of the Trustee Documents and the Bonds, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) To the best of such counsel's knowledge, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Bonds and the Trustee Documents;

(10) A copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Bonds and the Trustee Documents;

(11) A certificate of the Trustee, in form and substance satisfactory to the City and the Underwriter, dated the Closing Date, that as of the Closing Date:

(i) The Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Trustee Documents and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Trust Agreement;

(i) The Trustee has been duly authorized to enter into the Trustee Documents and to authenticate and deliver the Bonds;

(ii) The Trustee has on the Closing Date authenticated and delivered the Bonds and executed and delivered the Trustee Documents;

(iii) To the best of the Trustee's knowledge, after due inquiry, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained by the Trustee is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents;

(iv) To the best of the knowledge of the Trustee, after due investigation, the execution and delivery by the Trustee of the Trustee Documents and the Bonds, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(v) To the best knowledge of the officer of the Trustee signing the certificate, after due inquiry, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Bonds, the Trustee Documents;

(12) An executed copy of the Continuing Disclosure Certificate, substantially in the form presented as Appendix D to the Official Statement;

(13) Evidence of the rating on the Bonds;

(14) A copy of the notices required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(i) of the California Government Code;

(15) A copy of the Blanket Letter of Representation to the Depository Trust Company signed by the City;

(16) A signature and incumbency certificate of the City, dated the Closing Date and signed by an authorized officer of the City;

(17) A copy of the filed, final non-appealable judgment of the Superior Court of the State for the County of Los Angeles validating the issuance of the Bonds; and

(18) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy,

as of the date hereof and as of the Closing Date, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel and the Underwriter. The opinions and certificates presented as Exhibits hereto or as Appendices to the Official Statement shall be deemed satisfactory provided they are substantially in the forms of such exhibits or appendices.

If the City shall be unable to satisfy the conditions to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder.

Section 8. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the City, in writing or by telegram, of their election to do so, if, after the execution hereof and prior to the Closing:

(a) The United States has become engaged in new hostilities (or an escalation of hostilities) which have resulted in a declaration of war or a national emergency affecting the normal operation of the government of, or in the financial community in, the United States of America in a manner that makes it impracticable for the Underwriter in its reasonable opinion to market the Bonds or enforce the contracts for sale of the Bonds;

(b) There shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or California;

(c) An event shall have occurred or been discovered as described in paragraph (q) of Section 5 hereof which, in the reasonable opinion of the Underwriter, requires the preparation and publication of disclosure material or a supplement or amendment to the Official Statement, and (i) the City refuses to prepare and furnish such disclosure material, or supplement or amendment to the Official Statement, or (ii) in the reasonable judgment of the Underwriter, the occurrence or discovery of such event materially and adversely affect the marketability of the Bonds or render the enforcement of contracts for sale of the Bonds impracticable;

(d) Any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(e) Legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision

by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision 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 the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement;

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds;

(g) The New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers;

(h) Trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds;

(i) The withdrawal or downgrading of any rating of the Bonds by a national rating agency which has materially adversely affected, in the reasonable judgment of the Underwriter, the marketability of the Bonds or the market prices thereof; or

(j) Any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable.

If this Purchase Agreement shall be terminated pursuant to Section 7 or this Section 8 or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligation hereunder is not satisfied or because of any refusal, inability or failure on the part of the City to comply with any of the terms or to fulfill any of the conditions of this Purchase Agreement, or if for any reason the City shall be unable to perform all of its respective obligations under this Purchase Agreement, the City shall not be liable to the Underwriter for damages alleged as loss of anticipated profits arising out of the transactions covered by this Purchase Agreement.

Section 9. Payment of Costs and Expenses. (a) Subject to Sections 5(m) and 9(b), the City shall pay or reimburse all costs and expenses incident to the sale and delivery of the Bonds to

the Underwriter, including, but not limited to: (i) the fees and expenses of the City and its Counsel; (ii) the fees and expenses of Bond Counsel and Disclosure Counsel; (iii) the fees and expenses of the Municipal Advisor or any other consultant retained by the City; (iv) all costs and expenses incurred in connection with the preparation and printing of the Bonds; (v) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (vi) rating fees, (vii) bond insurance and surety bond premiums, if applicable, and (viii) the fees and expenses of the Trustee.

(b) The Underwriter shall pay CDIAC, DTC, MSRB, CUSIP Bureau, California Public Securities Association fees, the cost of preparation of any Blue Sky and Legal Investment Memoranda and all Blue Sky filing fees in connection with the public offering of the Bonds, all advertising expenses in connection with the public offering of the Bonds, and fees and expenses of its counsel.

The City acknowledges that the Underwriter will pay from the underwriter's expense allocation of the underwriting discount certain fees, including the applicable per bond assessment charged by the California Debt and Investment Advisory Commission.

Section 10. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, agreements and other statements of the City and the Underwriter or their officers or partners set forth in, or made pursuant to, this Purchase Agreement will remain operative and in full force and effect regardless of any investigation made by or on behalf of the City or the Underwriter or any controlling person and will survive delivery of and payment for the Bonds.

Section 11. Notices. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing:

To the City: City of Montclair
5111 Benito Street
Montclair, California 91763
Attention: City Manager

To the Underwriter: Hilltop Securities Inc.
2533 S. Coast Highway 101, Suite 250
Cardiff by the Sea, California 92007
Attention: Ms. Robin M. Thomas

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; and (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement.

Section 13. Determination of End of the Underwriting Period. For purposes of this Purchase Agreement, the End of the Underwriting Period for the Bonds shall mean the earlier of (a) the day of the Closing unless the City has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the “end of the underwriting period” for the Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or (b) the date on which notice is given to the City by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City pursuant to clause (a) above that the “end of the underwriting period” for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the City in writing as soon as practicable following the “end of the underwriting period” for the Bonds for all purposes of the Rule; provided, that the End of the Underwriting Period shall in no event extend beyond 90 days after the Closing.

Section 14. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance by the designees of the City, and shall be valid and enforceable at the time of such acceptance.

Section 15. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

Section 16. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

Section 17. Counterparts. This Purchase Agreement may be executed in any number of counterparts.

Exhibit 2

If the foregoing is in accordance with your understanding of the Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement between the City and the Underwriter in accordance with its terms.

Very truly yours,

HILLTOP SECURITIES INC.,
as Underwriter

By: _____
Authorized Signatory

Accepted as of the date first stated above:

CITY OF MONTCLAIR

By: _____
City Manager

Time of Execution: _____ p.m.

Signature Page of Bond Purchase Agreement relating to
City of Montclair
2021 Taxable Pension Obligation Bonds

Exhibit A

MATURITY SCHEDULE

\$
City of Montclair
2021 Taxable Pension Obligation Bonds

Maturity Date (<u>June 1</u>)	Principal <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
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Exhibit B

B-1

Exhibit C

C-1

Exhibit D

D-1



CITY COUNCIL AGENDA REPORT

DATE:	MAY 3, 2021	FILE I.D.:	TRN110A
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	PUBLIC WORKS
ITEM NO.:	1	PREPARER:	N. CASTILLO
SUBJECT:	CONSIDER RECEIVING AND FILING A STATUS REPORT ON EMERGENCY CONTRACTING PROCEDURES FOR THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT AND DETERMINING THERE IS A NEED TO CONTINUE THE ACTION		

REASON FOR CONSIDERATION: By City Council action on April 19, 2021, Resolution No. 21-3307 was adopted declaring a need for emergency contracting procedures for the PE Trail Bridge Replacement project. Under Public Contract Code Section 22050, the governing body shall review the emergency action at its next regularly scheduled meeting and every regularly scheduled meeting thereafter until the action is terminated, to determine, by a fourth-fifths majority vote, that there is a need to continue the action.

BACKGROUND: The City of Montclair in coordination with San Bernardino County Transportation Authority (SBCTA) built a multi-purpose trail linking cities from Claremont to Rialto along the famous Pacific Electric Railway Line. This 21 mile class I trail is a vital component of our Active transportation and Healthy Montclair programs. The trail provides recreational and alternative transportation opportunities for cyclists, pedestrians, runners, and equestrians. Linking our residents and commuting public to schools, jobs and our regional transportation hub. The 20-acre Montclair Transcenter is the largest facility of its kind between Union Station in Los Angeles and the San Bernardino station, and conveniently connects the region's fixed route commuter rail, bus service, and rideshare programs in one centrally located area. The PE trail is a vital connection to this important transportation hub.

On March 21, 2021, the PE Trail Bridge was damaged due to a fire and closed to active transportation traffic. The closure of the bridge disrupts the regional connections of the PE Trail. A structural engineer who investigated the magnitude and extent of the damage, declared the PE Trail bridge a total loss and a replacement was recommended. To mitigate the risks that left the existing bridge vulnerable to fire, the replacement will be a prefabricated steel truss bridge. A steel truss bridge provides the best combination of long term value and affordability, while also recognizing the need for a speedy replacement of this vital piece of infrastructure. The use of a prefabricated bridge saves valuable time since its design has been preapproved by a state licensed structural engineer. Compared to a wooden structure, the construction of the steel truss bridge is completed at an accelerated pace, since it is delivered assembled and dropped into place.

The City of Montclair is a healthier and more equitable City due to safer and more connected roadways through the provision of active transportation options. SBCTA recognizes the value and importance of the PE trail. To that end, SBCTA has shown good faith and leadership by graciously offering to cover a percent of the cost, up to \$100,000, to replace the bridge through their TDA Grant Program. The City would cash flow the project and seek reimbursement from SBCTA at a future date.

Currently PE Trail commuters are being detoured from the regional trail to Arrow Highway. To reduce the impact of the bridge closure, City staff will work diligently through the use of the emergency contracting procedures to hire various consultants and contractors to complete the bridge replacement. Agreements will be executed in the near future. Any necessary environmental permits and studies will be processed to clear the project through the California Environmental Quality Act (CEQA) and U.S. Army Corps permitting process. A structural Engineer consultant will be brought on to assist in determining what provisions and modifications must be made in order for the existing bridge substructure and foundations to accept the new bridge. In order to replace the bridge a contractor will need to be procured to remove the old fire damaged bridge. The same contractor will be utilized to put in place the new prefabricated bridge after necessary modifications are made to the existing Bridge foundation.

FISCAL IMPACT: The City's Cost to replace the PE Trail Bridge is estimated at \$500,000 and will be funded from the General Fund Reserve. The City is hopeful that SBCTA will be able to allocate \$100,000 from TDA Grant Program to offset the costs associated with the bridge replacement.

RECOMMENDATION: Staff recommends that the City Council receive and file a status report on emergency contracting procedures for the PE Trail Bridge Replacement Project and determine there is a need to continue the action.

1. Approve the filing of a Notice of Completion of contract with Gentry Brothers, Inc., for the Holt Boulevard Pavement Rehabilitation Project with the San Bernardino County Recorder.
2. Authorize release of retention of payment bond 30 days after recordation of Notice of Completion.

RECORDING REQUESTED BY:

City of Montclair

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME: **City of Montclair**

STREET ADDRESS: **5111 Benito Street**

CITY, STATE & ZIP
CODE: **Montclair, CA 91763**

Government Code 6103

(Space above this line for Recorder's Use Only)

NOTICE OF COMPLETION

NOTICE is hereby given that: The undersigned is the owner of an interest of estate in the hereinafter described property, the nature of which said interest or estate is:

fee

The full name and address of the undersigned
is
Noel Castillo
Public Works Director/
City Engineer
5111 Benito Street
Montclair, CA 91763

The work was completed on that certain work known as:

Holt Boulevard Pavement Rehabilitation Project

for the undersigned City of Montclair,
a Municipal Corporation, on the 3rd day of May 2021

The City accepted the job on the 3rd day of May 2021

The Contractor on said job was
Gentry Brothers, Inc.
384 Live Oak Ave.
Irwindale, CA. 91706

The improvement consisted of:
Street Improvements

The property upon which said work of improvement was completed is described as Address:

4300 Holt Boulevard, Montclair, CA. 91763

(1010-301-20-0000)

VERIFICATION

I, the undersigned, say that I am agent for the owner of the aforesaid interest or estate in the property described in the above notice. I have read the foregoing notice and know and understand the contents thereof, and the facts stated herein are true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: May 3rd, 2021 at 5111 Benito Street, Montclair, California

Noel Castillo
Public Works Director
City Engineer



CITY COUNCIL AGENDA REPORT

DATE:	MAY 3, 2021	FILE I.D.:	STG200
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	POLICE
ITEM NO.:	3	PREPARER:	B. KUMANSKI
SUBJECT:	CONSIDER AUTHORIZING THE SUBMISSION OF A LETTER OF OPPOSITION TO THE SENATE APPROPRIATIONS COMMITTEE FOR SENATE BILL 210 (WEINER) AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS		

REASON FOR CONSIDERATION: The City Council is requested to consider submitting a Letter of Opposition to the Senate Appropriations Committee for Senate Bill 210 (Weiner) Automated License Plate Recognition Systems.

BACKGROUND: Senate Bill 210 (Weiner) Automated License Plate Recognition Systems proposes, in part, to limit retention of Automated License Plate Recognition (ALPR) system data to no more than 24 hours if the data is not connected to an existing “hotlist” of wanted vehicles. This proposed legislation fails to recognize how ALPR data is used as well as the investigative processes to solve crimes.

The Montclair Police Department currently utilizes ALPR data and has a thorough and compliant policy for the use of ALPR data as well as the auditing and retention requirements, which is currently one year. There also appears to be a misconception that the only way to utilize the data is to enter in specific license plate numbers to find matches. Investigations utilizing ALPR data are not limited to matching a plate to a previously known “hotlist.” Investigators often have limited information available, such as vehicle descriptions and a partial plate. These systems help match the description and possible matches to vehicles recorded by the various ALPR systems. There is often significant investigative work which goes into an investigation before this information is obtained. It is not uncommon to not have the needed information to even search the systems for at least 24 hours. In addition, cold crimes being investigated after the 24-hour period has elapsed would completely lose access to this valuable investigative tool.

The Montclair Police Department has several recent examples where ALPR data helped solve crimes, well after the first 24 hours following the crime. One incident involved an armed robbery with two suspects. A plate was not obtained until after the first 24 hours. In addition to helping identify a suspect in our incident, when searched against other agency ALPR records it was learned the vehicle had traveled to several locations throughout Southern California. It was discovered these suspects had committed additional crimes in these jurisdictions and the ALPR data helped connect them to these crimes.

Senate Bill 210 would eliminate this capability and prevent numerous crimes from being solved using this valuable tool. The Montclair Police Department recently acquired access to Vigilant Solutions at significant cost to replace our existing ALPR system. This is the system which was utilized in the above mentioned investigation examples and is a comprehensive ALPR system for law enforcement data sharing. There is already robust procedures in place to limit access and use of the data for legitimate law enforcement purposes as well as provisions for routine auditing for misuse.

FISCAL IMPACT: If authorized by the City Council, submission of a Letter of Opposition to the Senate Appropriations Committee for Senate Bill 210 (Weiner) Automated License Plate Recognition Systems would have no fiscal impact on the City's General Fund.

RECOMMENDATION: Staff recommends that the City Council authorize the submission of a Letter of Opposition to the Senate Appropriations Committee for Senate Bill 210 (Weiner) Automated License Plate Recognition Systems.

DRAFT

DATE

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

**RE: SB 210 (Wiener) Automated License Plate Recognition Systems:
Use of Data.
Notice of OPPOSITION (As Amended 03/15/21)**

Dear Senator Portantino,

The City of Montclair must respectfully oppose Senate Bill 210. This measure would hinder law enforcement access to valuable crime fighting data captured by Automated License Plate Reader (ALPR) cameras.

Existing law outlines parameters for use, retention, and auditing functions for agencies who utilize ALPR technologies. Many communities have held public meetings to approve this technology in their jurisdictions and, as required, post their use policies prominently on their agency websites. The same governing bodies should retain authority to direct local retention regulations where necessary.

Ultimately, SB 210 would remove local control over systems that community funds have been invested into. If approved, law enforcement agencies would lose many valuable pieces of information that have historically helped find abducted children, murder suspects, kidnappers, and sex criminals.

The misconception that this technology only matches to existing “hot list” data is a harmful fallacy. There is significant administrative work that goes into reviewing license plate data manually as law enforcement agencies work around the clock to solve crimes happening within our communities.

There also appears to be a misconception that the only way to utilize the data is to enter in specific license plate numbers to find matches; that is not at all accurate. Law enforcement personnel are oftentimes tasked with reviewing data and images from nearby incidents to attempt to match suspect vehicle descriptions or partial plate information relating to criminal activity.

The Montclair Police Department currently utilizes ALPR data and has a thorough and compliant policy for the use of ALPR data as well as the auditing and retention requirements, which is currently one year.

The Montclair Police Department has several recent examples where ALPR data helped solve crimes, well after the first 24 hours following the crime. One incident involved an armed robbery with two suspects. A plate was not obtained until after the first 24 hours. In addition to helping identify a suspect in our incident, when searched against other agency ALPR records it was learned the vehicle had traveled to several locations throughout Southern California. It was

discovered these suspects had committed additional crimes in these jurisdictions and the ALPR data helped connect them to these crimes.

Senate Bill 210 would eliminate this capability and prevent numerous crimes from being solved using this valuable tool. There are already robust procedures in place to limit access and use of the data for legitimate law enforcement purposes as well as provisions for routine auditing for misuse.

The City of Montclair supports accountability on the part of law enforcement agencies concerning police technology and policies, as well as related oversight by local governing bodies. However, we do not support policies that restrict law enforcement agencies from utilizing technologies that would otherwise enhance their ability to prevent criminal activity in the communities they serve.

For these reasons, the City of Montclair opposes SB 210.

Sincerely,

Mayor Javier John Dutrey
City of Montclair

cc: The Honorable Scott Wiener
The Honorable Connie M. Leyva
The Honorable Freddie Rodriguez
Your League Regional Public Affairs Manager (via email)
League of California Cities City Letters Email



CITY COUNCIL AGENDA REPORT

DATE:	MAY 3, 2021	FILE I.D.:	FIN540
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	FINANCE
ITEM NO.:	4	PREPARER:	L. LEW/V. FLORES
SUBJECT:	CONSIDER APPROVAL OF WARRANT REGISTER AND PAYROLL DOCUMENTATION		

REASON FOR CONSIDERATION: The City Council is requested to consider approval of the Warrant Register and Payroll Documentation.

BACKGROUND: Mayor Pro Tem Ruh has examined the Warrant Register dated May 3, 2021, and the Payroll Documentation dated March 28, 2021, and recommends their approval.

FISCAL IMPACT: The Warrant Register dated May 3, 2021, totals \$1,672,017.28; and the Payroll Documentation dated March 28, 2021 totals \$604,079.59 gross, with \$419,633.44 net being the total cash disbursement.

RECOMMENDATION: Staff recommends the City Council approve the above-referenced Warrant Register and Payroll Documentation.



CITY COUNCIL AGENDA REPORT

DATE:	MAY 3, 2021	FILE I.D.:	PER597
SECTION:	BUSINESS ITEMS	DEPT.:	ADMIN. SVCS.
ITEM NO.:	A	PREPARER:	J. HAMILTON
SUBJECT:	CONSIDER ADOPTION OF RESOLUTION NO. 21-3309 MAKING CERTAIN FINDINGS FOR AN EXCEPTION TO THE 180-DAY WAIT PERIOD PURSUANT TO GOVERNMENT CODE SECTIONS 7522.56 AND 21221(H)		

REASON FOR CONSIDERATION: The Pension Reform Act of 2012 prohibits employers from hiring retired annuitants within 180 days of their retirement. However, subsequent legislation provides for an exception to the 180-day wait period under specific conditions; *i.e.*, the California Public Employees' Retirement System (CalPERS) requires the City Council adopt a resolution to allow for an exception to the 180-day wait period to hire a retired employee for temporary, part-time employment during the wait period.

The City Council is requested to consider adoption of Resolution No. 21-3309 making certain findings that allow former Deputy Director of Community and Economic Development to be hired for temporary, part-time employment commencing within the 180-day wait period from her retirement from the City of Montclair.

A copy of proposed Resolution No. 21-3309 is attached for City Council's review and consideration.

BACKGROUND: Deputy Director of Community & Economic Development Christine Caldwell retired from the City of Montclair effective April 10, 2021, after a 32-year career with the City of Montclair.

Mrs. Caldwell was initially hired by the City on August 1, 1988, as an Assistant Planner and worked her way up the ranks, being promoted to Deputy Director of Community and Economic Development on January 21, 2020.

In her capacity as the Deputy Director, Mrs. Caldwell handled several special projects, including, but not limited to, two Trammel Crow residential projects, the Panera Bread project, the Village Partners *Village at Montclair* mixed-use keystone project, the Aqua Ridge senior assisted living facility, the Augusta Homes project, and the Reeder Ranch. Additionally, Mrs. Caldwell has been integral in updating the City's General Plan, the Montclair Place Specific Plan, and the Housing Element Update. Her departure causes the City to reorganize the Community and Economic Development Departments so that her previous duties are appropriately transferred to others within the organization. Thus, Mrs. Caldwell will be able to train and assist those assuming her previously held duties as the City's Deputy Director including, but not limited to: the Montclair Housing Corporation's Budget, the Community Development Block Grant (CDBG) Projects and Reports, and the Master Fee User Schedule Update. Finally, Mrs. Caldwell will be able to assist on the development of several ordinances, such as the Accessory Dwelling Unit (ADU) Ordinance Update and the Inclusionary Housing Ordinance Update.

Pursuant to California Government Code § 7522.56(b), “[a] retired person shall not serve, be employed by, or be employed through a contract directly by, a public employer in the same public retirement system from which the retiree received the benefit without reinstatement from retirement, except as permitted by this section.” California Government Code § 7522.56(c), then provides the following exception: “A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by [CalPERS] upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has specialized skills needed in performing work of a limited duration.” California Government Code § 7522.56(f)(1) provides: “A retired person shall not be eligible to be employed pursuant to this section for a period of 180 days following the date of retirement unless... [t]he employer certifies the nature of the employment and the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.” The City will not be recruiting for the position of Deputy Director of Community and Economic Development, since that position was created specifically to accommodate Mrs. Caldwell’s specialized skills and unique position within the organization. Instead, a reorganization plan is currently being considered to maximize the City’s human resources and to restructure the Community Development and Economic Development Departments. As this restructuring progresses, and is then subsequently implemented, Mrs. Caldwell’s specialized skills are critically needed during this transitional phase before the 180 days have passed. Her 32-year depth of knowledge and her personal contacts with all public agency and private entity stakeholders are vital and essential to the continued success of the City during the restructuring process, and then later training the appropriate employees once that restructuring is in place. Finally, Mrs. Caldwell has not accepted a retirement incentive upon her retirement, which would make her ineligible for this consideration as outlined in California Government Code §7522.56(g).

Mrs. Caldwell’s employment will be on a temporary, part-time basis and will remain at or below the 960 permitted hours per fiscal year a retired annuitant may work pursuant to Section 7522.56(d). Her specialized skills are needed to ensure there is no backlog of work as restructuring occurs and that the current special projects remain on schedule and without interruption. Once the City has reorganized, Mrs. Caldwell’s specialized skills and knowledge will be used to smoothly transition her duties to her successor(s). It is anticipated that this process will last the duration of current fiscal year and continue into the 2021–22 fiscal year. Also, pursuant to Section 7522.56(d), Mrs. Caldwell’s pay may not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule equal to an hourly rate. The maximum base salary for her position is \$11,452, and the hourly equivalent is \$66.10. However, because Mrs. Caldwell was paid at Step “D” of the Deputy Director of Community and Economic Development at the date of her retirement, her rate of pay will be set at \$62.93/hour.

FISCAL IMPACT: The fiscal impact associated with adopting proposed Resolution No. 21–3309 is estimate to be \$12,586 for the remainder of Fiscal Year 2020–2021 if Mrs. Caldwell works 25 hours per week from May 12 to June 30, 2021, which is approximately 200 hours and less than the 960 hours authorized by California Government Code Sections 7522.56(d) and 21221(h). The Fiscal Year 2020–21 Budget provides \$10,000 for the Community Development Consultant retired annuitant, which was not used. Accordingly, this \$10,000 shall be applied to the anticipated costs for the Economic

Development Consultant part-time, retired annuitant position and the Contingency Fund shall cover any additional costs. These additional monies will be used to fund Mrs. Caldwell's part-time employment pursuant to California Government Code Sections 7522.56(d) and 21221(h).

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 21-3309 making certain findings for an exception to the 180-day wait period pursuant to California Government Code Sections 7522.56 and 21221.

RESOLUTION NO. 21-3309

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR MAKING CERTAIN FINDINGS FOR AN EXCEPTION TO THE 180-DAY WAIT PERIOD PURSUANT TO GOVERNMENT CODE SECTIONS 7522.56 AND 21221

WHEREAS, in compliance with Government Code Section 7255.565, the City of Montclair must provide the California Public Employees Retirement System (CalPERS) this certification resolution when hiring a retiree before 180 days have passed since his or her retirement; and

WHEREAS, Christine Caldwell, CalPERS ID No. 3182151545, retired from the City of Montclair in the position of Deputy Director of Community & Economic Development effective April 10, 2021; and

WHEREAS, Government Code Section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is October 6, 2021, without this certification; and

WHEREAS, Section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the City Council of the City of Montclair hereby appoints Christine Caldwell as an extra help Retired Annuitant, with the title of Economic Development Consultant, to work on special development and other projects and to provide training to her successors as the City reorganizes as a result of her retirement under Government Code Sections 7522 & 21221 effective May 12, 2021; and

WHEREAS, the entire employment agreement, contract, or appointment document between Christine Caldwell and the City of Montclair has been reviewed by the body and is attached herein as "Exhibit A"; and

WHEREAS, no matters, issues, terms, or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equate the hourly rate; and

WHEREAS, the maximum monthly base salary for the Deputy Director of Community & Economic Development Position is \$11,452 and the hourly equivalent is \$66.10, and the minimum monthly base salary for the position is \$9,422 and the hourly equivalent is \$53.36; and

WHEREAS, because Mrs. Caldwell retired at Step "D" of the Deputy Director of Community & Economic Development Position, the hourly rate to be paid to Christine Caldwell will be \$62.93; and

WHEREAS, Christine Caldwell has not and will not receive any other benefit, incentive, compensation in lieu of benefit, or other form of compensation in addition to this hourly rate.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair hereby certifies the nature of the appointment of Christine Caldwell as described herein and detailed in the attached employment agreement/contract/appointment document and that this appointment is necessary to ensure there is not a stoppage or slowdown of any special projects currently underway in the City and so that Mrs. Caldwell can be present to train her successors as the City's Community Development Department reorganizes.

APPROVED AND ADOPTED this XX day of XX, 2021.

ATTEST:

Mayor

City Clerk

I, Andrea M. Phillips, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 21-3309 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2021, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Andrea M. Phillips
City Clerk



MEMORANDUM

MONTCLAIR

DATE: April 19, 2021

TO: Edward C. Starr, City Manager

FROM: Jon F. Hamilton, Director of Admin. Services & Human Resources

SUBJECT: **PERSONNEL AUTHORIZATION: REQUEST TO HIRE CHRISTINE CALDWELL INTO THE PART-TIME, TEMPORARY RETIRED ANNUITANT POSITION OF ECONOMIC DEVELOPMENT CONSULTANT**

On April 8, 2021, Deputy Director of Community and Economic Development Christine Caldwell retired from the City of Montclair, after a 32-year career. Mrs. Caldwell's deep level of experience, knowledge and professionalism are needed to assist City staff to move forward with several special projects, including, but not limited to, two Trammel Crow residential projects, the Panera Bread project, the Village Partners *Village at Montclair* mixed-use keystone project, the Aqua Ridge senior assisted living facility, the Augusta Homes project, and the Reeder Ranch. Additionally, her assistance will be fundamental in updating the General Plan, Montclair Place Specific Plan, and the Housing Element Plan Update. Mrs. Caldwell will be able to train and assist her predecessors to understand and take over her responsibilities related to the Montclair Housing Corporation's 2021-2022 Budget, the Community Development Block Grant (CDBG) Projects and Reports, and the Master Fee User Schedule 2021 Update. Finally, she will be able to assist on the development of several ordinances, such as the Accessory Dwelling Unit (ADU) Ordinance Update and the Inclusionary Housing Ordinance Update.

Mrs. Caldwell's skills are critically needed immediately as the City prepares for reorganization to distribute her workload to others. Her 32-years of experience, depth of knowledge and professional contacts with state and regional public agency and private entity stakeholders are vital and essential to the continued success for the City during this restructuring process. Mrs. Caldwell will also provide valuable training to the appropriate employees once the restructuring is in place. Having Mrs. Caldwell work in a temporary, part-time retired annuitant (RA) position as an Economic Development Consultant will provide her critical skills in this time of need. It is anticipated she will work between 20 to 25 hours per week and no more than 960 for the remaining of this current fiscal year.

dk

 4/19/2021

Exhibit "A"



Mrs. Caldwell's hourly rate will not be less than the minimum or exceed the maximum for the comparable position, Deputy Director of Community and Economic Development, Mrs. Caldwell's position at retirement. The salary range for that position is \$9,422/month to \$11,452/month, or \$53.36/hour to \$66.10/hour. Mrs. Caldwell will not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to this hourly rate of pay connected to this part-time, temporary special work retired annuitant appointment. At the time of Mrs. Caldwell's retirement, she was earning, \$62.93/hour, which shall be her hourly rate as a retired annuitant.

California Government Code § 7522.56 provides that a retired person shall not be eligible to be employed for a period of 180 days following the date of his/her retirement unless City Council certifies the nature of Mrs. Caldwell's employment and appointment as a special work retired annuitant Economic Development Coordinator. The City Council must deem Mrs. Caldwell's appointment as the Economic Development Coordinator is necessary to fill a critically needed position before the 180 days have passed and must approve such appointment in a public meeting. On May 3, 2021, the City Council will consider a Resolution certifying the need to rehire Mrs. Caldwell in this part-time, temporary Economic Development Coordinator position and, therefore, this request for authorization to hire Mrs. Caldwell is conditioned on City Council's consideration, determination and certification of proposed Resolution No. 21-3309. If City Council adopts Resolution No. 21-3298, Mrs. Caldwell will be hired into the part-time, temporary retired annuitant Economic Development Consultant position effective May 10, 2021. This Personnel Authorization shall serve as the appointment document between Mrs. Caldwell and the City of Montclair, which shall be attached as Exhibit A for City Council's consideration of Resolution No. 21-3309.

Therefore, on consideration that City Council adopts Resolution No. 21-3309 on May 3, 2021, authorization is being requested to hire Mrs. Caldwell as a retired annuitant into a temporary, part-time position of Economic Development Consultant effective May 12, 2021, which is the earliest date she is available to start, at the rate of \$62.93/hour, which shall be added as Step "D" to a newly created part-time Economic Development Consultant position on the City's salary schedule. There will be no amount designated as Step "A," "B," or "C," but Step "E" shall be designated at \$66.10/hour.

c: Finance Manager
Community Development Director
Personnel File

**MINUTES OF THE MEETING OF THE MONTCLAIR
PERSONNEL COMMITTEE HELD ON MONDAY,
APRIL 19, 2021, AT 8:23 P.M. IN THE CITY
ADMINISTRATIVE OFFICES, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA, REMOTELY VIA ZOOM**

I. CALL TO ORDER

Mayor Pro Tem Ruh called the meeting to order at 8:23 p.m.

II. ROLL CALL

Present: Mayor Pro Tem Ruh, Council Member Johnson, and City Manager Starr

III. APPROVAL OF MINUTES

A. Minutes of the Regular Personnel Committee Meeting of April 5, 2021.

Moved by Council Member Johnson, seconded by Mayor Pro Tem Ruh, and carried unanimously to approve the minutes of the Personnel Committee meeting of April 5, 2021.

IV. PUBLIC COMMENT - None

V. CLOSED SESSION

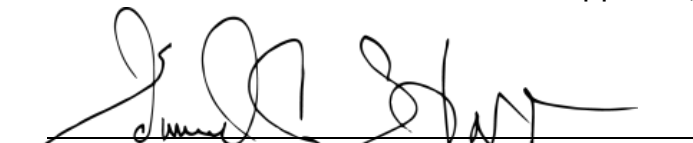
At 8:24 p.m., the Personnel Committee went into Closed Session regarding personnel matters related to appointments, resignations/terminations, and evaluations of employee performance.

At 8:55 p.m., the Personnel Committee returned from Closed Session. Mayor Pro Tem Ruh stated that no announcements would be made at this time.

VI. ADJOURNMENT

At 8:55 p.m., Mayor Pro Tem Ruh adjourned the Personnel Committee.

Submitted for Personnel Committee approval,



Edward C. Starr
City Manager

MINUTES OF THE REGULAR JOINT MEETING OF THE MONTCLAIR CITY COUNCIL, SUCCESSOR AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS, MONTCLAIR HOUSING AUTHORITY COMMISSION, AND MONTCLAIR COMMUNITY FOUNDATION BOARD HELD ON MONDAY, APRIL 19, 2021 AT 7:00 P.M. CONDUCTED REMOTELY PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDERS SUSPENDING CERTAIN ASPECTS OF THE BROWN ACT DURING THE COVID-19 STATE OF EMERGENCY AND MANDATING STAY-AT-HOME SAFETY PROTOCOLS

I. CALL TO ORDER

Mayor Pro Tem/Vice Chair Ruh called the meeting to order at 7:00 p.m.

II. INVOCATION

The invocation was provided by **Elder Ray Ramirez, Montclair Christian Church.**

III. PLEDGE OF ALLEGIANCE

Council Member Lopez led meeting participants in the Pledge.

IV. ROLL CALL

Present: Mayor Pro Tem/Vice Chair Ruh; Council Members/Directors Johnson, Martinez, and Lopez

City Manager/Executive Director Starr; Director of Administrative Services and Human Resources Hamilton; Senior Management Analyst Fuentes; Executive Director of Public Safety/Police Chief Avels; City Attorney Robbins; City Clerk Phillips

Absent: Mayor/Chair Dutrey (Excused)

V. PRESENTATIONS

A. **Proclamation Declaring April 2021 as Child Abuse Prevention Month in the City of Montclair**

Mayor Pro Tem Ruh stated a proclamation declaring April 2021 as Child Abuse Prevention Month in the City of Montclair was mailed to the **Children's Network of San Bernardino County.**

Ms. Doreen Ivery, Mentoring Resource Specialist for the **Children's Network**, thanked Mayor Pro Tem Ruh and the City Council for its partnership and discussed the importance of reporting child abuse by dialing 2-1-1.

Council Member Lopez shared that he was a victim of child abuse and expressed his appreciation for the agency's work.

VI. PUBLIC COMMENT

A. **Ms. Jennifer Menjivar-Shaw**, Government Relations Manager at **Southern California Edison**, advised that **Edison** will be replacing 691 street light poles throughout the City, and expects the project to take place between May 3rd and June 11th. She noted homes near street lights being replaced would be notified a week in advance using door hanger notices.

B. **Mr. Ruben Solis**, resident, requested a change to the street sweeping schedule on his street due to parking issues, or that he be allowed to construct a driveway on his property similar to what a couple of his neighbors have, noting he was recently denied a permit to construct one by the City.

C. **Mr. Bruce Culp**, resident, stated he supports the City's effort to quickly replace the bridge along the Pacific Electric Trail, and requested updates on the cannabis ordinances and funding for the Gold Line extension to Montclair.

VII. PUBLIC HEARINGS

A. Second Reading — Consider Ordinance No. 21-995 Amending Section 8.36.090 of the Montclair Municipal Code to Eliminate Commercial Truck Parking on Brooks Street and Palo Verde Street

Council Member Lopez stated he feels it is appropriate to end the commercial truck parking program, noting his understanding staff has provided several alternative locations in and around the community for commercial truck parking to **Mr. Tom Squyres**, the resident who has greatly benefitted from the parking program.

Council Member Ruh stated he does not want to punish truck drivers who are essential to the health of the economy, and asked if staff had any further contact with **Mr. Squyres** about his parking issues, recalling **Mr. Squyres** had stated during the Public Works Committee meeting that he had ideas for possible solutions that he would provide to staff.

Public Works Director/City Engineer Castillo stated since that meeting, **Mr. Squyres** only reached out to request another copy of the list of locations to park his truck and has not provided any additional information or suggestions to staff.

Mayor Pro Tem Ruh declared it the time and place for a public hearing related to Ordinance No. 21-995 and invited members of the audience to provide comments.

Mr. Culp suggested truck drivers could park in the **Montclair Transcenter** if allowed by **Caltrans**, and use the connected bus services or ride-share apps to get back home.

There being no one else in the audience wishing to speak and no written comments submitted in relation to this item, Mayor Pro Tem Ruh closed the public hearing and returned the matter to the City Council for consideration.

Moved by Council Member Lopez, seconded by Council Member Johnson, and carried that Ordinance No. 21-995 be read by number and title only, further reading be waived, and that the City Council adopt Ordinance No. 21-995.

Ordinance No. 21-995 was adopted 4-0 by the following roll call vote:

AYES:	Lopez, Martinez, Johnson, Ruh
NOES:	None
ABSTAIN:	None
ABSENT:	Dutrey

VIII. CONSENT CALENDAR

Moved by Council Member/Director Johnson, seconded by Council Member/Director Lopez, and carried unanimously 4-0 by roll call vote (Dutrey absent), the City Council approved the Consent Calendar as presented with a public comment on Item D-2:

A. Approval of Minutes

1. Regular Joint Meeting — April 5, 2021

The City Council, Successor Agency Board of Directors, Montclair Housing Corporation Board of Directors, Montclair Housing Authority Commissioners, and Montclair Community Foundation Board of Directors approved the minutes of the April 5, 2021 regular joint meeting.

B. Administrative Reports

1. Receiving and Filing of City Treasurer's Report

The City Council received and filed the City Treasurer's Report for the month ending March 31, 2021.

2. Approval of City Warrant Register and Payroll Documentation

The City Council approved the City Warrant Register dated April 19, 2021, totaling \$815,004.31; and the Payroll Documentation dated March 14, 2021, amounting to \$597,894.02 gross, with \$415,249.67 net being the total cash disbursement.

3. Receiving and Filing of Successor Agency Treasurer's Report

The City Council acting as successor to the Redevelopment Agency Board received and filed the Successor to the Redevelopment Agency Treasurer's Report for the month ending March 31, 2021.

4. Approval of Successor Agency Warrant Register

The City Council acting as successor to the Redevelopment Agency Board approved the Successor to the Redevelopment Agency Warrant Register dated 03.01.21-03.31.21 in the amounts of \$13,270.07 for the Combined Operating Fund and \$2,433,678.00 for the Redevelopment Obligation Retirement Funds.

5. Receiving and Filing of MHC Treasurer's Report

The MHC Board received and filed the MHC Treasurer's Report for the month ending March 31, 2021.

6. Approval of MHC Warrant Register

The MHC Board approved the MHC Warrant Register dated 03.01.21-03.31.21 in the amount of \$26,673.41.

7. Receiving and Filing of MHA Treasurer's Report

The MHA Commissioners received and filed the MHA Treasurer's Report for the month ending March 31, 2021.

8. Approval of MHA Warrant Register

The MHA Commissioners approved the MHA Warrant Register dated 03.01.21-02.31.21 in the amount of \$0.00.

9. Receiving and Filing Annual Independent Audit Reports for the City of Montclair and the Successor Agency to the City of Montclair Redevelopment Agency

The City Council acting as successor to the Redevelopment Agency Board received and filed annual independent audit reports for the City of Montclair and the Successor Agency to the City of Montclair Redevelopment Agency.

C. Agreements

1. Approval of Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47 with the San Bernardino County Department of Aging and Adult Services to Provide Additional Funding to Support the Elderly Nutrition Program

The City Council approve *Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47* with the San Bernardino County Department of Aging and Adult Services to provide additional funding to support the elderly nutrition program.

D. Resolutions

1. Adoption of Resolution No. 21-3307 Declaring the Need for Emergency Contracting Procedures for the Pacific Electric Trail Bridge Replacement Project

Amending the Fiscal Year 2019-2024 Capital Improvement Program, Adding the Pacific Electric Trail Bridge Replacement Project

Authorizing a \$500,000 Appropriation from the General Fund Reserve for the Cost Related to the Pacific Electric Trail

Bridge Replacement Project

Authorizing the City Manager to Execute Any Necessary Agreements in Relation to the Pacific Electric Trail Bridge Replacement Project

The City Council took the following actions:

- (a) Adopted Resolution No. 21-3307 declaring the need for emergency contracting procedures for the Pacific Electric Trail Bridge Replacement Project.
- (b) Amended the Fiscal Year 2019-2024 Capital Improvement Program, adding the Pacific Electric Trail Bridge Replacement Project
- (c) Authorized a \$500,000 appropriation from the General Fund Reserve for the cost related to the Pacific Electric Trail Bridge Replacement Project.
- (d) Authorized the City Manager to execute any necessary agreements in relation to the Pacific Electric Trail Bridge Replacement Project.

2. Adoption of Resolution No. 21-3308 Opposing Senate Bill 9 (Atkins) – Housing Development: Approvals

Mrs. Carolyn Raft, resident and former Council Member, stated she is glad to see the City is opposing SB 9 and feels the City needs to retain local control over decisions about adding new dwelling units to residential properties and maintain requirements to add parking.

The City Council adopted Resolution No. 21-3308 opposing Senate Bill 9 (Atkins) – Housing Development: Approvals.

IX. PULLED CONSENT CALENDAR ITEMS — None

X. COUNCIL WORKSHOP

A. Presentation on Potential Pension and Infrastructure Bonds

The City Council continued the item to an adjourned meeting to be held on Tuesday, April 20, 2021, at 6:00 p.m.

XI. COMMUNICATIONS

A. Department Reports — None

B. City Attorney — None

C. City Manager/Executive Director

City Manager Starr advised the schedule to reintroduce the cannabis ordinances was delayed due to the pandemic redirecting staff's attention to more urgent matters. He noted the ordinances need to be updated to accommodate changes to state law and to take other cities' experiences into account. He stated staff anticipates bringing the ordinances back to the Council in the fall of this year.

City Manager Starr reported the current funding challenges facing the Gold Line, noting staff is working with Congresswoman Norma Torres and its federal legislative advocate to secure federal funding from President Biden's proposed \$2 trillion infrastructure bill. He added staff is also attempting to overcome the hurdle of convincing the **Los Angeles Metropolitan Transportation Authority (LA Metro)** to allow the **Foothill Gold Line Extension Phase 2B Construction Authority** to apply for federal funding. In addition, should the project become federalized, staff is working with federal representatives to pass legislation that would exempt this and other transportation projects from the federal environmental review process if they have already undergone the state's process.

City Manager Starr stated the **Pacific Electric Trail** bridge replacement project approved under consent was an emergency item

and using a prefabricated metal bridge should eliminate any future threat of fire damage to the structure. He advised the process of replacement may require an environmental review and approval of other construction and engineering contracts to ensure proper foundations are installed prior to placement of the new bridge, which can now be expedited through administrative approvals.

D. Mayor/Chair — Absent

E. City Council/Successor Agency Board/MHC Board/MHA Board/MCF Board

1. Mayor Pro Tem/Vice Chair Ruh made the following comments:

- (a) He announced there are two vacancies on the Planning Commission and three vacancies on the Community Activities Commission, and encouraged residents to apply at www.cityofmontclair.org by the deadline at 5:30 p.m. on May 4, 2021.
- (b) He urged all who are eligible to make appointments to get vaccinated.

City Manager Starr advised the COVID-19 testing site at the **Montclair Transcenter** will be moving to the upper level of **Montclair Place** starting April 26th, and will be occurring on Mondays, Wednesdays, and Fridays, while vaccinations will be occurring in the same location on Tuesdays and Thursdays.

- (c) He reported the passings and wished condolences to the families of the following individuals:

- **Mrs. Hollis Judkins**, a former Community Activities Commissioner and valued member of the community.
- **Ms. Crystal Martinez**, a recent **Montclair High School** graduate who was killed in a car accident last week.
- **Mrs. Prudence Corbo**, who has been active in the community as a parishioner of Our Lady of Lourdes Church since 1959, and embodied love for the community.
- **Mr. Donald Farrington** who served as a Montclair Police Officer in the 60s and 70s and went on to serve the City of Napa. **Mr. Farrington** retired to Arizona, where he passed away.
- The grandson of **Mrs. Carolyn Anderson**, City of Upland Planning Commissioner, who died in a motorcycle accident.
- Former Vice President **Walter Mondale**, who served as VP from 1977 to 1981, a US Senator for the state of Minnesota, and ambassador to Japan under the **Clinton Administration**.

- (d) He wished a Happy Birthday to Montclair resident **Joe Baltierra**, who turns 90 tomorrow.

2. Council Member/Director Lopez made the following comments:

- (a) He provided updates to freeway construction including the closure of both on- and off-ramps at Euclid Avenue Tuesday evening through Wednesday morning from 10:30 p.m. to 5:00 a.m., and the overnight closure of Monte Vista Avenue below the I-10 freeway, with dates for the closure to be announced.
- (b) He requested the City Council consider taking a position against SB 210 at an upcoming meeting, noting the law would require law enforcement agencies to destroy data obtained through automated license plate readers that

does not match a hot list after 24 hours. He noted most police investigations take longer than 24 hours and this law would greatly undermine police investigations.

- (c) He requested an examination of the City's current anti-firework ordinances and potential consideration of increased fines as a result of the recent firework explosion at a residence in Ontario that killed two people and damaged or destroyed several surrounding homes.
 - (d) He recognized the City's Police Dispatchers in honor of National Dispatchers Day, which was last week.
 - (e) He advised he discussed recent concerns brought to him by residents regarding crime-related activities and is pleased with staff's responsiveness to the issues.
3. Council Member/Director Johnson made the following comments:
- (a) She stated she read an article that stated the City is to receive \$7 million in COVID-19 stimulus money from the federal government and asked if that information is correct.

City Manager Starr stated it is correct, and the City should be receiving the money in two separate allocations over two years. He advised use of the money is restricted to very specific COVID-related purposes that cannot replace revenues or contribute to pension funding. He noted cities are waiting for spending guidelines from the Department of the Treasury, and will have until December of 2025 to use the funds.
 - (b) She urged residents to be careful when driving with children returning to school, and to be safe when walking and always use crosswalks.
 - (c) She echoed the request for the community to get vaccinated, adding there will be a vaccination event held at **Alma Hofman Park** on Saturday, April 24th from 10:00 a.m. to 2:00 p.m., appointments for the event will be available through <http://www.myturn.ca.gov> starting Thursday.
 - (d) She encouraged those who go to **Montclair Place** to get tested or vaccinated to shop at the mall after.
 - (e) She commended staff for placing a homeless family in Montclair in temporary housing and for securing a four-bedroom mobile home for the family to move into through a partnership between the City, **Metro Honda**, **Christian Development Center**, and **Bethany Baptist Church**.

F. Committee Meeting Minutes

1. Minutes of Public Works Committee Meeting of September 17, 2020

The City Council received and filed the minutes of the Public Works Committee meeting of September 17, 2020, for informational purposes.

2. Minutes of Public Works Committee Meeting of February 18, 2021

The City Council received and filed the minutes of the Public Works Committee meeting of February 18, 2021, for informational purposes.

3. Minutes of Personnel Committee Meeting of April 5, 2021

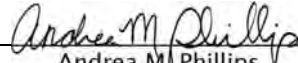
The City Council received and filed the minutes of the Personnel Committee meeting of April 5, 2021, for informational purposes.

XII. ADJOURNMENT

At 8:13 p.m., Vice Chair Ruh adjourned Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board.

At 8:13 p.m., Mayor Pro Tem Ruh adjourned the City Council to Tuesday, April 20, 2021, at 6:00 p.m. for a presentation on potential pension and infrastructure bonds.

Submitted for City Council/Successor Agency Board/Montclair Housing Corporation Board/Montclair Housing Authority Commission/Montclair Community Foundation Board approval,



Andrea M. Phillips
City Clerk

PENDING APPROVAL

MINUTES OF THE ADJOURNED MEETING OF THE MONTCLAIR CITY COUNCIL HELD ON TUESDAY, APRIL 20, 2021, AT 6:00 P.M. CONDUCTED REMOTELY PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDERS SUSPENDING CERTAIN ASPECTS OF THE BROWN ACT DURING THE COVID-19 STATE OF EMERGENCY AND MANDATING STAY-AT-HOME SAFETY PROTOCOLS

I. CALL TO ORDER

Mayor Dutrey called the meeting to order at 6:00 p.m.

II. ROLL CALL

Present: Mayor Dutrey; Mayor Pro Tem Ruh; Council Members Johnson, Martinez, and Lopez

City Manager Starr; Finance Manager Kulbeck; City Clerk Phillips

III. COUNCIL WORKSHOP

A. Presentation on Potential Pension and Infrastructure Bonds

Ms. Robin Thomas, Senior Vice President/Managing Director, **Hilltop Securities**, led a PowerPoint presentation discussing the City's options for pursuing the issuance of lease revenue bonds to fund public improvement projects, and pension obligation bonds to better manage the City's annual unfunded accrued liability (UAL) payments to **CalPERS**. She discussed the processes and parties involved with bonds issuances and repayment structure options. She provided the benefits and risks of pension obligation bonds and showed examples of several recent issuances in other cities.

Mayor Pro Tem Ruh asked what appeal government bonds have for the institutional market.

Ms. Thomas stated the stability of government bonds is appealing to institutional investors, and that even with the low interest rates, there is always capital needing to be moved and no time to wait for higher interest rates to get a better return.

Mayor Dutrey stated his understanding that with the pension obligation bonds, the City would be essentially replacing a debt with 7 percent interest rate for one with 3.5 percent interest, and would also have control over structuring the repayment schedule.

Mayor Pro Tem Ruh asked what the risk would be if **CalPERS** were to make a bad investment that increases the City's UAL.

City Manager Starr noted the City would be responsible for any increases to the UAL regardless of whether the City pays off its current UAL, and added that cities in the past two years have been regarding pension obligation bonds as responsible fiscal policy.

Mayor Dutrey asked if there was a penalty to pay the bonds early if the City realizes enough savings to do so.

Ms. Thomas advised there is no penalty but typically there is a 10-year waiting period to do so.

Moved by Mayor Dutrey and seconded by Mayor Pro Tem Ruh, the City Council directed staff to prepare resolutions to move forward on pension and infrastructure bonds for Council consideration at an upcoming City Council meeting.

By roll call vote, the motion carried 5-0 as follows:

AYES: Lopez, Martinez, Johnson, Ruh, Dutrey
NOES: None
ABSTAIN: None
ABSENT: None

IV. PUBLIC COMMENT - None

V. ADJOURNMENT

At 7:31 p.m., Mayor Dutrey adjourned the City Council.

Submitted for City Council approval,



Andrea M. Phillips
City Clerk

PENDING APPROVAL