REPORT TO SUCCESSOR AGENCY

DATE: JANUARY 22, 2020

TO: HONORABLE CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD

FROM: GREG RAMIREZ, EXECUTIVE DIRECTOR

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: ADOPT RESOLUTION NO. SA20-13 APPOINTING A SUCCESSOR BOND TRUSTEE FOR THE FORMER REDEVELOPMENT AGENCY'S TAX ALLOCATION BONDS

The Successor Agency to the Agoura Hills Redevelopment Agency (Successor Agency) has two bond issues outstanding. Each bond issue has a trustee. Among other duties, the trustee is responsible for insuring that the payments are made in a timely manner, as scheduled, and managing the reserve funds.

The two outstanding bond issues are currently managed by the Bank of New York Mellon. It has been over ten years since Bank of New York Mellon was chosen, therefore, staff sent out a Request for Proposal to review costs and servicing. Three banks responded, our existing trustee, Zions Bank, and US Bank. Staff has reviewed the proposals with the Finance Committee, and consulted with our Financial Advisor, and the Finance Committee is recommending that US Bank be chosen as our new trustee.

US Bank has 35% of the market share of issues and received excellent ratings from other municipalities. Furthermore, they are assigning Martin Meza, a Los Angeles-based relationship manager with 32 years of experience in the banking business.

Their bid was very competitive with our current provider. The annual cost is $750 for each issue ($3,000 total). The total contract price is estimated at $43,500.

US Bank relies on the bond indentures for the two outstanding bond issues. The bond indentures include the terms under which the bond trustee operates, including handling of fees and indemnification, among other terms. Therefore, our attorney is recommending that we do not adopt a separate agreement, which could conflict with the terms of the indentures.

Upon adoption of the attached resolution, staff will file a thirty-day termination notice with Bank of New York Mellon.

RECOMMENDATION

It is recommended that the Board adopt Resolution No. SA20-13, appointing a successor bond trustee for the former Redevelopment Agency's Tax Allocation Bonds.

Attachments: US Bank Proposal
Resolution No. SA20-13

RESOLUTION NO. SA20-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY, APPOINTING A SUCCESSOR BOND TRUSTEE FOR THE FORMER REDEVELOPMENT AGENCY'S TAX ALLOCATION BONDS

RECITALS:

WHEREAS, pursuant to Resolution No. 08-46, adopted on April 23, 2008, the Agoura Hills Redevelopment Agency (the "Former Agency") has previously issued its Tax Allocation Bonds (Agoura Hills Redevelopment Project Area), Series 2008 A-T (Taxable) (the "Taxable Bonds"), to finance the costs of redevelopment within the Agoura Hills Redevelopment Project Area (the "Project Area"); and

WHEREAS, pursuant to Resolution No. 08-47, adopted on April 23, 2008, the Former Agency has previously issued its Housing Set-Aside Tax Allocation Bonds (Agoura Hills Redevelopment Project Area), Series 2008 (the "Housing Bonds"), to finance the costs of low and moderate income housing projects within the Project Area; and

WHEREAS, pursuant to Resolutions Nos. 08-46 and 08-47, the Former Agency appointed The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon"), as trustee under the Indentures (together, the "Indentures") with respect to the Taxable Bonds and the Housing Bonds, respectively; and

WHEREAS, pursuant to Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (as heretofore amended, the "Dissolution Act"), enacted by AB X1 26 in June 2011, and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011)*, the Former Agency was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency to the Agoura Hills Redevelopment Agency (the "Successor Agency") was constituted as a separate public entity from the City of Agoura Hills; and

WHEREAS, pursuant to the Dissolution Act, including but not limited to Section 34175(b), all assets, properties, contracts, books and records of the Former Agency, including the Indentures, transferred to the control of, and were assigned to, the Successor Agency by operation of law; and

WHEREAS, the Indentures provide that the Successor Agency, at any time, may remove the trustee thereunder upon 30 days' notice and appoint a successor trustee; and

WHEREAS, pursuant to a request for proposals process, the Successor Agency has determined to appoint U.S. Bank National Association as successor trustee and to remove BNY Mellon as trustee with respect to the Taxable Bonds and the Housing Bonds;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Successor Agency hereby directs the Executive Director to provide written notice to BNY Mellon to effectuate the removal of BNY Mellon as trustee under the Indentures with respect to the Taxable Bonds and the Housing Bonds. The Successor Agency hereby appoints U.S. Bank National Association as successor trustee under the Indentures with respect to the Taxable Bonds and the Housing Bonds, such appointment to be effective 30 days after written notice has been provided to BNY Mellon pursuant to the foregoing sentence.

Section 3. The Executive Director and all other officers of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, and ADOPTED this 22nd day of January, 2020, by the following vote to wit:

AYES: ( )
NOES: ( )
ABSTAIN: ( )
ABSENT: ( )

Illece Buckley Weber, Chair

ATTEST:

Kimberly M. Rodrigues, Secretary

Proposal presented to

The City of Agoura Hills

November 7, 2019

Linda Verstuyft
Managing Director, Business Development
213.615.6052
linda.verstuyft@usbank.com

usbank.

Linda Verstuyft
Managing Director, Business Development Officer
U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

November 7, 2019

Christy Pinuelas
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Dear Christy,

On behalf of U.S. Bank, I am pleased to submit the following proposal for successor bond trustee services and dissemination agent services for The City of Agoura Hills (The City). We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks.

We are a leader in the banking industry. Our outstanding track record of financial performance coupled with our sound ethical business practices have earned us the honor of being named Fortune's "most admired superregional bank" for the ninth consecutive year in 2019 and one of the World's Most Ethical Companies® by the Ethisphere Institute for the fifth consecutive year in 2019.

We have over $5.1 trillion in assets under administration and more than 144,000 debt issuances; therefore, we bring substantial experience as bond trustee for municipal bond financings. We are proud to have been ranked the No. 1 national municipal trustee since 2012 by Thomson Financial Services, continuing our more than 10-year history of being ranked in the top one or two municipal trustees. We are also the No. 1 municipal trustee in California and have been for the past several years.

Our extensive experience in administering bond trusteeships has provided us with valuable insight into the core requirements needed to negotiate agreements, maintain accounts and records, efficiently transfer and invest funds, and provide additional services as needed by The City. Our knowledgeable staff, including the assigned relationship manager, Martin Meza, is one of the most experienced in the industry.

We appreciate the opportunity to work with The City. Should you have any questions, please call me at 213.615.6052 or email me at linda.verstuyft@usbank.com.

Sincerely,

Linda Verstuyft
Managing Director, Business Development Officer

Work Description

The City is soliciting the services of a bond trustee. The City currently has four bond issues outstanding and all trustee services are provided by BNY Mellon. The City may continue to use BNY Mellon or consider other qualified municipal bond trustees as successor trustees.

The firm selected during this RFP process will be expected to provide bond trustee services in connection with the transaction including, but not limited to:

1. **Establish and maintain various funds as required by bond indenture.**
2. **Perform complete trustee functions for one or more future bond issues.**
3. **Act as registrar, paying agent, and tender agent.**
4. **Manage all funds and accounts according to the provisions of the indenture and in compliance with federal tax law.**
5. **Provide a short-term investment vehicle for uninvested balances in custody/trust accounts.**
6. **Provide monthly activity statements and reports including the market value of all portfolio holdings.**
7. **Provide online web access to account and investment information related to transactions, balances, market values, etc.**
8. **Prepare and confirm bond redemption calculations and monitor key dates and reporting requirements.**
9. **Monitor reserve funds to ensure that amounts required by the Bond Indentures are maintained.**
10. **Pay or transfer funds to issuer or others as requested by the City for costs.**
11. **Participate as a member of and in meetings with the financing team which will also include the financial advisor, underwriter, and City staff.**

The Trustee will provide services required to carry out all administrative functions required of it under the trust indenture pertaining to the Bonds. The Trustee selected shall have extensive experience administering bonds.

U.S. Bank National Association (The Trustee) confirms that we can provide The City all the above bond trustee services in connection with this transaction.

Format of Proposals

All responses to this RFP must follow substantially the outline presented below. The Trustee must be a commercial bank or trust company, organized or incorporated under the laws of the United States of America, licensed to operate in California, duly authorized to execute corporate trust powers, subject to supervision or examination by federal or state authorities, subject to regulation regarding fiduciary funds on deposit when acting in its fiduciary capacity, Trustee which is (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets. Please do not submit any information not specifically requested.

A. *Statement of Interest.*

Please provide a brief summary of your firm's interest in providing trustee services and detailing your firm's pertinent experience providing these services including the following:

We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks. Our municipal trustee clients put U.S. Bank on top of industry league tables as a direct result of our commitment and quality service. We are the No. 1 national municipal trustee the past five years by Thomson Financial Services, continuing our more than 10-year history of being ranked the top one or two municipal trustee. U.S. Bank has served as trustee on more new tax-exempt deals launched since 2012 than any other municipal trust provider (source: Thomson Reuters SDC). As trustee for more than 144,000 debt issues aggregating over $5.1 trillion in principal issued, U.S. Bank has the experience and resources to meet and exceed the expectations regarding service standards.

We provide the following trust services:

- Bond trustee
- Fiscal agent
- Registrar
- Escrow agent
- Paying/exchange agent
- Calculation agent
- Tender agent
- Dissemination agent
- Collateral custodian
- Auction agent
- Intercreditor agent
- Collateral agent
- Distribution agent
- Depository

Since 1903, U.S. Bank has been a premier provider of corporate trust services in the United States, serving government and tax-exempt entities across the nation. Our dominant presence in corporate trust can be tied to our commitment to superior service, in-depth expertise and continuous innovation. Where national call centers are a standard for customer service among bank peers, we offer full transparency through access to online tools and local one-to-one direct communication for quick and efficient problem solving. We invest in long-term relationships and are continuously looking to leverage the power of technology to enhance and improve the way we do business. That's why we are consistently ranked as the No. 1 municipal bond trustee in the United States.

Our national municipal trustee market share is:

Rank	Trustee	# of Issues	Proceeds (US$ million)	Market share % on Issues
1	U.S. Bank	672	**40,524**	**35%**
2	Bank of New York	455	52,857	24%
3	UMB Bank	172	3,656	9%
4	Zions First National Bank	111	9,778	6%
5	Wilmington Trust	98	3,224	5%
	[illegible]	[illegible]	[illegible]	26%

Our extensive experience in administering bond trusteeships has provided us with valuable insight into the core requirements needed to negotiate agreements, maintain accounts and records, efficiently transfer and invest funds, and provide additional services as needed by the City. Our knowledgeable staff, including the assigned Los Angeles-based relationship manager, Martin Meza, is one of the most experienced in the industry.

1. **List of trust officers and relationship managers serving California accounts including their years of municipal trustee experience.**

We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks. Our municipal trustee clients put U.S. Bank on top of industry league tables as a direct result of our commitment and quality service. We are the No. 1 national municipal trustee the past five years by Thomson Financial Services, continuing our more than 10-year history of being ranked the top one or two municipal trustee. U.S. Bank has served as trustee on more new tax-exempt deals launched since 2012 than any other municipal trust provider (source: Thomson Reuters SDC).

Although we have over $5.1 trillion in assets under administration and more than 144,000 debt issuances and a sizeable team at your disposal, the ultimate responsibility for the service we provide will remain with your relationship manager, Martin Meza. Please see below for his biography and the biography of your backup relationship manager, Bertha Mares.

Martin

Martin has 32 years of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. Bank for 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsibilities include the overall administration of about 200 existing bond issues and reviewing documents for new bond or note issues. The complexity level of these bond and note issues includes: multifamily housing, revenue and tax allocation bonds, community facilities districts, general obligation bonds, escrows and custody accounts. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

Bertha

Bertha is a relationship manager in our Los Angeles corporate trust office. She is responsible for a variety of municipal bond trustee and paying agent appointments. Bertha has a high level of expertise with many types of debt structures and has administered all types of debt transactions, including community facilities districts, Marks Roos and Mello Roos bonds, certificates of participation, tax allocation bonds, revenue bonds, general obligation bonds and single-family and multifamily housing bonds. Bertha has 35 years of corporate trust experience.

2. List of five California Cities with under 50,000 residents that the bank provides bond trustee services. Include name of assigned trust officer and contact person at the City.

Please see below for a list of five California cities with under 50,000 residents for which we provide bond trustee services:

City of

Buffy J.
Administrative Services Director
Phone: 626.932.5513
Fax: 626.932.5566
bbullis@ci.monrovia.ca.us

Martin Meza is the relationship manager for the City of Monrovia.

City of

Daniel , CGFM,
Director of Finance
31200 Oak Crest Drive
Westlake Village, CA 91361
Phone (work): 818.706.1613
Phone (cell): 626.590.4633
Fax: 818.706.1391
dan@wlv.org

Julia Hommel is the relationship manager for the City of Westlake Village.

City of

Gina
Finance Director
Fiscal & Support Services
City of Norco
951.270.5630

Lauren Costales is the relationship manager for the City of Norco.

City

Melis
Finance Manager
City Hall
13700 La Mirada Blvd
La Mirada, CA 90638
562.943.0131
www.cityoflamirada.org

Lauren Costales is the relationship manager for the City of La Mirada.

City of

Rod [illegible]
Director of Finance
Finance Department
130 S Second Street
Chowchilla, CA 93610
RPruett@CityOfChowchilla.org

Michelle Knutson is the relationship manager for the City of Chowchilla.

Please briefly describe how trust officer and relationship manager interact with city staff unless they are the same person. What are their roles and responsibilities?

Customer service is of the utmost importance to U.S. Bank. You will have both a primary relationship manager and a backup relationship manager. Primary responsibilities of the relationship manager include accessibility to our clients, responsiveness and diligence. Once the bond is issued, the team that manages your account will work together daily to ensure all documents are followed and all funds are moved in accordance with the guidelines of your agreement.

Throughout the administration of your account, your relationship management team will communicate very closely to ensure timely coordination of all required tasks and responsibilities. Your relationship manager will be your primary point of contact, and we encourage your staff to work closely with the other members of our team that are dedicated to this significant relationship.

We use a team approach in administering every client relationship. Each of our corporate trust clients have at least three professionals assigned to their accounts. Our structure ensures that we deliver high-quality, customer-focused administration of account relationships and includes the following distinct functions:

Rela[illegible]
Martin Meza will serve as your primary contact. He will negotiate and execute the governing documents and serves in all aspects of account administration, helping ensure client satisfaction. His other responsibilities include:

- Reviewing and negotiating all governing documents
- Preparing account acceptance documentation in accordance with current policies and procedures
- Obtaining written investment directions
- Handling fee billing and collection
- Facilitating initial setup and verification on all trust accounting and bond payment systems
- Coordinating pre-closing and closing-day activities and paying cost of issuance disbursements
- Resolving problems with all interested parties

Martin [illegible] President, [illegible] Manager
633 West Fifth Street, 24th Floor, Los Angeles, CA 90071
213.615.[illegible] | martin.meza@usbank.com

Martin has [illegible] years of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. Bank for 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsibilities include the overall administration of about 200 existing bond issues and reviewing documents for new bond or note issues. The complexity level of these bond and note issues includes: multifamily housing, revenue and tax allocation bonds, community facilities districts, general obligation bonds, escrows and custody accounts. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

Martin is supported by staff members from two servicing teams, Product Operations and Trust Review (Complian[illegible]

[illegible] number of California City clients administered by your corporate trust department.

As of third quarter 2019, we provide bond trustee service for 40% of the California market.

[illegible] ratings of your financial institution by nationally recognized rating agencies.

We are proud of our history of financial strength and stability. U.S. Bancorp, the holding company of U.S. Bank National Association (U.S. Bank N.A.), carries S&P's A+ rating and Moody's A1 rating at the holding company level. The long-term issuer rating of U.S. Bank N.A. is A1 from Moody's, AA- from S&P and AA- from Fitch. Even in periods of volatility, we have remained consistently profitable, posting 155 years of contin[illegible] shareholder dividends.

[illegible] of pending mergers, sales or consolidations.

At this time, there are no plans to alter the strategic direction of our corporate trust business that may impact existing or prospective clients. We have a solid strategic growth and development plan that closely aligns with the growth [illegible] of U.S. Bank overall. Our executive management team continually reviews the strategic direction of the corporate trust business to ensure we are meeting our revenue and development goals. While most [illegible] would not directly impact our clients, we take a very proactive stance in keeping clients apprised of [illegible] upcoming changes—whether structural or strategic—that may impact the client or the client's relationship [illegible].

To the best of our knowledge, U.S. Bank is not involved with any pending mergers, sales or consolidations. It is common practice within the corporate trust industry to have nondisclosure agreements between the parties involved in mergers, sales or consolidations. This limits the information available to employees and customers regarding [illegible] agreements until the agreements are completed and the transaction is made public.

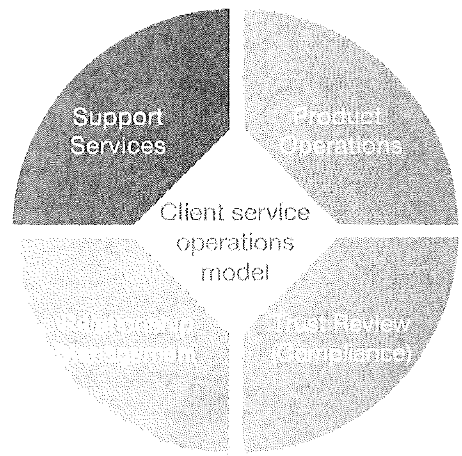
[illegible] a sample of your bond trustee statements.

Please see Exhibit 1 for a sample of bond trustee statements.

B. Assi[illegible]ersonnel.

Please i[illegible]d provide brief resumes of the proposed relationship manager and if different the day [illegible] officer who will be servicing the City's account. How often are trust officer's reass[illegible] City interview and/or request specific trust officers?

We use a [illegible]pproach in administering every client relationship. Each of o[illegible]porate trust clients have at least three professionals assigned to [illegible] accounts. Our structure ensures that we deliver high-qual[illegible]tomer-focused administration of account relationsh[illegible]d includes the following distinct functions:



Rel[illegible]

Martin M[illegible] serve as your primary contact. He will negotiate and execu[illegible] governing documents and serves in all aspects of account a[illegible]tration, helping ensure client satisfaction. His other responsib[illegible]include:

- [illegible]ing and negotiating all governing documents
- [illegible] account acceptance documentation in accordance w[illegible]rent policies and procedures
- [illegible] written investment directions
- H[illegible] fee billing and collection
- [illegible]ting initial setup and verification on all trust accounting and bond payment systems
- [illegible] pre-closing and closing-day activities and paying cost of issuance disbursements
- [illegible] problems with all interested parties

Biograph[illegible]ur service team are shown below:

Mar[illegible] [illegible]sident, [illegible]

633 West [illegible] Street, 24th Floor, Los Angeles, CA 90071

213.615.[illegible] martin.meza@usbank.com

Martin h[illegible] of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. [illegible] 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsib[illegible]clude the overall administration of about 200 existing bond issues and reviewing documents for new b[illegible] note issues. The complexity level of these bond and note issues includes: multifamily housing, [illegible] and tax allocation bonds, community facilities districts, general obligation bonds, escrows and cust[illegible]. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

Martin i[illegible] by staff members from two servicing teams, Product Operations and Trust Review (Compli[illegible]

Pro[illegible]

The assig[illegible]cated product operations analyst is responsible for cash management functions, including:

- M[illegible] debt service calculations, verifications and payments
- P[illegible]mptions, calculation of asset requirements and bond call notifications
- [illegible]fers, disbursements and accounting
- Req[illegible]tion processing and construction/project fund disbursements
- Inve[illegible]ing, divesting and sweeping daily cash per liquidity requests
- Re[illegible] fund monitoring and valuations

Mel

633 West ... Street, 24th Floor, Los Angeles, CA 90071
213.615.6 ... melanie.fijan@usbank.com

Melanie is a ... operations analyst located in Los Angeles, California. She has four years of corporate trust exp ... Melanie has gained much experience over the last four years and has been assigned increasing ... accounts per recommendations from relationship managers because of her respons ... clients. Melanie graduated from Northern Arizona University with a Bachelor of Science in marketing ... business management.

Tru

An assigne ... review analyst maintains a working knowledge of assigned bond financings and applicable regulatory ... to effectively monitor our obligation to identify and mitigate potential risk. Other respons ... include:

- ... secondary document reviews post-closing to confirm the document requirements
- ... accuracy of account setup on our systems
- M... all compliance items on our Account Control System (e.g., ticklers)
- M... outstanding ticklers to ensure the timely receipt of required compliance items
- ... compliance items with the governing document requirements
- ... on high-risk compliance items, such as letters of credit, credit facility contracts, uniform ... code (UCC) financing statements and insurance documents
- ... regulatory requirements, such as arbitrage rebate calculations, dissemination agent ... ations and audit confirmations
- In... with the relationship manager and product operations analyst as a unified team to ... manage each bond program

An

633 W ... Street, 24th Floor, Los Angeles, CA 90071
p. 213.6 ... | f. 213.615.6199 | andrea.freeman@usbank.com

Andrea is ... for maintaining a working knowledge of assigned bond financings and applicable regulator ... to effectively monitor our fiduciary obligations to identify and mitigate any potential risk. She ... with U.S. Bank since 1996 and has extensive experience working with the compliance aspects ... corporate and other various bond accounts and financings. Prior to joining U.S. Bank, Andrea ... corporate and real estate escrow at the Bank of America. She is located in Los Angeles, Califor

Su

Our Supp ... group provides bond operations support such as principal and interest payment process ... registration transfer, as well as funds control and bondholder services.

We valu ... strength and reliability that only long-term client relationships can provide. As such, we infreque ... reassign our relationship managers and carefully balance the number of key client relationships they man ... However, we would be willing to allow The City to interview or request specific relationship manager ... event of a reassignment.

Administration of bond trusteeships

We are recognized as a leading corporate trust services provider, with the size, experience and, most importantly, commitment to the corporate trust industry that guarantees continued service over the life of your bond programs.

Pers[illegible]

While we [illegible] a world where technology allows us to interact across great distances, we ultimately believe that corporate trust is a people business, and there is no substitute for the direct personal communication that happens within the structure of our business model. will have the benefit of a dedicated Los Angeles-based relationship manager and can expect responsive communication and meetings at your preferred frequency. We have physical presence in Los Angeles and in San Francisco.

Continued investment in state-of-the-art technology benefits our clients through increased transparency and access to [illegible] documentation, transactions and critical reporting functions, as well as improved efficiency in deal operations. The most recent system release is Pivot, our online client reporting system, which was created exclusively for U.S. Bank clients.

Relationship Manager Martin Meza will review and comment on all closing documents, close the transaction and work with the assigned product operations analyst to establish the required trust accounts and provide instructions to our Operations group for setup on our bondholder recordkeeping system, Stream Transfer Agency. [illegible] after closing, Martin will establish required ticklers to monitor all duties and responsibilities of the trustee (including compliance items required to be furnished to the trustee). The ticklers are generated well in advance of any due date or payment date to provide us with sufficient time to prepare for the required item. These account setup functions are then passed on to a trust review analyst, who performs a secondary review to ensure that all information has been established accurately and completely pursuant to the governing documents.

In addition to oversight by Martin, each bond issue is reviewed by our team of Trust Review professionals upon closing of the transaction and periodically throughout the life of the issue as it pertains to monitoring compliance requirements. Each account is set up on our Account Control System and fully ticklerized to identify any required compliance items. As a courtesy, we email or mail our clients reminder letters regarding the compliance items that are required to be submitted regularly. We do not release a tickler until we have received, [illegible] and permanently filed the required item. Martin is also supported by specialized units responsible for monitoring compliance with all due diligence items required in the financing documents.

For debt service, the established verified tickler(s) will generate well in advance of the payment due date and is/are the first trigger point for action by the relationship team. With Martin's oversight, a determination will be made of the interest and principal (if applicable) due for each specific bond issue based on reports from our bondholder recordkeeping system received from our Operations group. We will verify the payment amounts and will provide a debt service invoice to the borrowers in advance of the payment dates stating the amounts [illegible] and the issue descriptions.

As debt service is one of the trustee's most critical responsibilities, on the payment date, our primary focus for that day [illegible] debt service on all issues paying on that date. Communication occurs throughout the actual payment [illegible] between Martin and the Operations group to ensure that all funds have been received for payment to the bondholders.

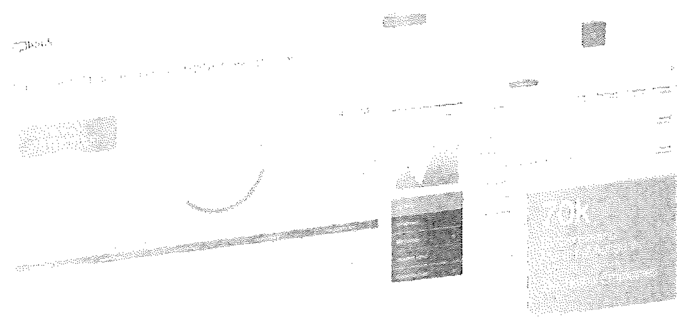
T[illegible]

We will [illegible] Dennis Wong of Dorsey & Whitney LLP as trustee counsel. Dennis has over 30 years of experience representing financial institutions, acting as corporate trustee and as agent for financings. He has represented [illegible] in their capacities as trustee or agent on a wide variety of municipal and corporate debt financings throughout the country. Dennis also assists U.S. Bank with matters arising under existing transactions, including review and administrative interpretation of governing documents. We have been told by many law firms that having Dennis involved with bond financings on behalf of U.S. Bank is valuable to all parties due to his experience and willingness to assist. Dennis is keenly able to find solutions that are acceptable to U.S. Bank and the financing team for issues that may arise in pending and existing bond financings. His contact information is:

Dennis [illegible]
Dorsey & Whitney LLP
600 Anton Boulevard, Suite 2000
Costa Mesa, CA 92626
wong.dennis@dorsey.com
P: 714.800.1457

Online [illegible]
The City will have direct access to account information using our powerful and sophisticated online reporting system, Pivot, which was created exclusively for U.S. Bank clients. Pivot provides an updated, streamlined, user-friendly interface through a centralized, secure online platform. Through Pivot, you can:

- Access bond-related information (down to the CUSIP level)
- View, schedule, run and download reports on account activity and holdings in Excel, CSV and PDF
- Analyze asset holdings
- Retrieve monthly statements
- View current-day and month-to-date summary-level cash and holdings
- Search for individual accounts or account groups
- View detailed cash and holdings data at the account level
- Navigate to debt payments and debt schedule to see what will be paid in the future
- Drill down into account activity to see individual holdings in each account



Pivot allows you to download the following current-date information at the account- or CUSIP-level in Excel:

- Transaction history
- Asset holdings
- Tax lot reporting
- Cash balances
- Pending trades
- Account summaries
- Account lists

Pivot is available 24/7 at no additional charge to U.S. Bank clients. Cash, holding and trade information is updated in real time. Debt information is updated overnight. The City can view a demo of Pivot at: pivot.usbank.com.

C. *Leg[illegible] [illegible]ory History.*

Please [illegible] any r[illegible]latory action, state or federal offense, or paid any civil judgment, settleme[illegible] in [illegible]nnection with the assigned trust officers in their professional practice. If so, pleas[illegible] a [illegible]rrative describing the events and the resolution, if any. Under what circumst[illegible] [illegible] trust department resigned or been removed from a trusteeship in the last three (3) [illegible] there been any losses with respect to funds held in trusts in connection with your tru[illegible] during the past five (5) years (including, without limitation, any losses covered [illegible] [illegible]mission insurance)? Is yes, provide by attachment annual losses and complet[illegible] [illegible] individual losses exceeding $10,000.

Litig[illegible]

While at any given time, including the present, U.S. Bank is involved in disputes and litigation which normally occur in banking operations and which often involve claims for money damages, these pending cases are generally not considered unusual in number or amount, and, based on past experiences in similar litigation, should not have a material adverse effect on the financial position of U.S. Bank, nor impact the delivery of banking services to The City. As a practice, we do not comment on any past or pending litigation, unless pending litigation is significant. For additional public information about U.S. Bank, please refer to our most recent annual report, available on our Investor Relations page at usbank.com/about/investor.

Investig[illegible]

From time to time, U.S. Bancorp and its affiliates (U.S. Bank) are subject to various regulatory examinations, inquiries and investigations (matters) by bank regulators as well as other government agencies. U.S. Bank does not currently believe that the ultimate resolution of any existing matter will have a material adverse effect on the financial condition of U.S. Bank or our ability to perform in connection with this proposal. Such matters and other interactions with government agencies often are highly confidential and we may thus be limited in our ability to disclose detailed information. Nevertheless, for further information regarding certain current matters, please see our most recent 10-K and 10-Q, available on our Investor Relations page at usbank.co[illegible].

As one of the largest trustees in the nation, we get occasional requests to resign as trustee as the result of a potential conflict of interest arising in connection with serving for multiple priorities of liens or lending relationships.

From time to time, U.S. Bank cannot fulfill its duties for which a contract was issued due to a variety of reasons. Contract terms are highly confidential, and we are thus limited in our ability to disclose detailed information. We do not believe that the failure to complete work in these few instances will have a material adverse effect on our ability to perform the duties in connection with this RFP.

It is our standard policy not to disclose this information. U.S. Bank National Association agrees to indemnify customers and hold them harmless from and against any and all claims arising out of our breach of agreement, willful misfeasance, bad faith or gross negligence in the performance of our duties, or any loss of assets, including by theft or destruction, but expressly excluding investment losses or other diminution of assets resulting from the proper performance of our duties.

D. *Conflict of Interest*

Please disclose any existing or potential conflicts of interest related to the firm's engagement on this transaction.

U.S. Bank does not foresee any potential conflicts of interest with The City.

We will advise The City immediately to address any direct or indirect conflicts of interest that arise while providing services pursuant to this request for proposal.

We will comply with all conflict of interest laws, statutes and regulations applicable to it. In addition, we offer some affirmative statements regarding conflicts of interest:

- We will not be in contact regarding this procurement with any official or employee or evaluation team of The City other than the designated contact from the time of issuance of this solicitation until the end of the protest period.
- We will not have any contacts with other bidders—directly or indirectly regarding the amount, terms or conditions of the proposal.
- We will not influence any employee or members of the proposal or evaluations team of The City.
- We affirm that we have no interest and shall not acquire any interest, direct or indirect, that would conflict in a manner or degree with the performance of the work and services included in this procurement.
- We affirm that if a potential conflict of interest develops in the future we will report such to the official who is managing this procurement.

Fee Sch[illegible]

The cost [illegible] should contain all pricing information relative to performing the trustee engagement as described in the Request for Proposal. The total all-inclusive maximum price to be bid is to contain all dir[illegible] and indirect costs including all our-of-pocket expenses.

Please provide [illegible] expense schedule as part of your proposal. Please address the costs to:

1. **Set up [illegible] bond trustee services from BNY Mellon if your bank is selected as the City'[illegible].**

$0/waived

2. **Provide annual [illegible], paying agent and register services for the transferred bond issues as descri[illegible].**

$750

3. **Pro[illegible], paying agent and register services for new municipal bond transa[illegible] they occur.**

$1,000

4. **Ple[illegible] the cost of any trustee legal counsel services related to the items above.**

$0 for transferred bonds and $1,200 for new bond issue.

5. **Fees. [illegible] the following as they apply: new bond issues**
   i. [illegible]

$200

   ii. [illegible]

$1,000

   iii. **[illegible] fees associated with the occurrence of particular events (redemption of [illegible]).**

$0

   iv. **Any and [illegible] fees and expenses anticipated to be charged to the City (please list each [illegible]).**

$0

Extra[illegible] administration services:
Extraordinary administration services (EAS) are duties, responsibilities or activities not expected to be provided by the trustee or agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business and may require analysis or interpretation. Billing for fees and expenses related to EAS is appropriate in instances where particular inquiries, events or developments are unexpected, even if the possibility of such circumstances could have been identified at the inception of the transaction, or as changes in law, procedures, or the cost of doing business demand. At our option, EAS may be charged on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such

rates or in such amounts in effect at the time of such services, which may be modified by us in our sole and reasonable discretion from time to time. In addition, all fees and expenses incurred by the trustee or agent, in connection with the trustee's or agent's EAS and ordinary administration services and including without limitation the fees and expenses of legal counsel, financial advisors and other professionals, charges for wire transfers, checks, internal transfers and securities transactions, travel expenses, communication costs, postage (including express mail and overnight delivery charges), copying charges and the like will be payable, at cost, to the trustee or agent. EAS fees are due and payable in addition to annual or ordinary administration fees. Failure to pay for EAS owed to U.S. Bank when due may result in interest being charged on amounts owed to U.S. Bank for extraordinary administration services fees and expenses at the prevailing market rate.

General terms and conditions:
Your obligation to pay under this fee schedule shall govern the matters described herein and shall not be superseded or modified by the terms of the governing documents and survive any termination of the transaction or governing documents and the resignation or removal of the trustee or agent. This fee schedule shall be construed and interpreted in accordance with the laws of the state identified in the governing documents without giving effect to the conflict of laws principles thereof. You agree to the sole and exclusive jurisdiction of the state and federal courts of the state identified in the governing documents over any proceeding relating to or arising regarding the matters described herein. Payment of fees constitutes acceptance of the terms and conditions described herein.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.