AGENDA
CITY OF EL CENTRO
FINANCING AUTHORITY
APRIL 6, 2021

City Hall	Regular Meeting	6:00 PM

CITY HALL
COUNCIL CHAMBERS
1275 MAIN STREET
EL CENTRO, CA 92243

Financing Authority Members may be reached at (760) 336-8989

Chairperson:	**Cheryl Viegas-Walker**	**Executive Director: Marcela Piedra**
Vice Chairperson:	**Tomás Oliva**	**City Attorney: Elizabeth Martyn Evans**
Agency Members:	**Edgard Garcia**	**Secretary: Norma Wyles**
	Martha Cardenas-Singh	
	Sylvia Marroquin	

This is a Public Meeting. If there is an item on the Agenda on which you wish to be heard, you are asked to complete a blue speaker slip and submit it to the Secretary prior to the start of the meeting. **Persons wishing to address the Financing Authority are not required to identify themselves (Government Code §54953.3); however, this information assists the Chairperson by ensuring that all persons wishing to address the Agency are recognized and also assists the Secretary in preparing the Financing Authority meeting minutes.** When the item is announced and your name is called, please step to the podium and state your name for the record. Unless the Chairperson extends the time, there is a three (3) minute time limit for each public presentation. If you wish to address the Financing Authority, concerning any other matter not appearing on the agenda, you may do so during the public comment portion of the agenda.

6:00 P.M. OPEN SESSION

ALL TIMES ARE APPROXIMATE AND MAY VARY

CALL TO ORDER:

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

INVOCATION

CONSENT AGENDA

Consent agenda items are approved by one motion. Council members or members of the public may pull consent items to be considered separately at a time determined by the Mayor.

1. Approval of Financing Authority Minutes for meetings of June 18, 2019 and June 30, 2020.

PUBLIC HEARING

2. Public Hearing to approve issuance of Lease Revenue Bonds (Library Project), 2021 Series A.

PRESENTATION: Richard L. Romero, Director of Finance

RECOMMENDATION
Adopt Resolution No. FA 21- , RESOLUTION OF THE EL CENTRO FINANCING AUTHORITY APPROVING THE ISSUANCE OF LEASE REVENUE BONDS (LIBRARY PROJECT), 2021 SERIES A, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $22,000,000; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT, AN INDENTURE AND A BOND PURCHASE AGREEMENT; AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

PUBLIC COMMENTS

The City Council welcomes your input. At this time, members of the public may address the City Council on any matter not listed on the posted agenda. Pursuant to the Brown Act, no action will be taken on any issue brought forth under Public Comments. We ask that you please complete a "Speaker Slip" and submit it to the City Clerk prior to the start of the meeting. Although you are not required to identify yourself (Gov't Code§54953.3); this information on the "Speaker Slip" assists the Mayor that all persons wishing to address the Council are recognized and also assists the City Clerk in preparing the City Council meeting minutes. Unless the Mayor extends the time, there is a three (3) minute time limit for each public presentation. * Any information provided on the "Speaker Slip" is voluntary and will be public record.

ADJOURNMENT

Approval of Financing Authority Minutes for meetings of June 18, 2019 and June 30, 2020.

CITY MANAGER'S RECOMMENDATION:
Approval of Financing Authority Minutes for meetings of June 18, 2019 and June 30, 2020.

ATTACHMENTS:

- FA 6-18-2019 (DOC)
- FA 6-30-2020 (PDF)

REGULAR MEETING
FINANCING AUTHORITY
CITY OF EL CENTRO, CALIFORNIA
TUESDAY, JUNE 18, 2019 6:00 P.M.

The Financing Authority of the City of El Centro met in regular session on June 18, 2019 at 7:32 p.m.

PRESENT: Oliva, Jackson, Garcia, Silva, Viegas-Walker
Secretary Caldwell, Executive Director Piedra, Attorney Martyn Evans;

CONSENT AGENDA

1. Moved by Viegas-Walker, second by Jackson, approval of the Financing Authority Minutes for regular meeting of July 17, 2018.

   AYES: Oliva, Jackson, Garcia, Silva, Viegas-Walker
   NOES: None
   ABSENT: None
   ABSTAINED: None

2. Moved by Viegas-Walker, second by Jackson, approval of Forbearance Agreement between the City of El Centro, Financing Authority, El Centro Regional Medical Center, MUFG Union Bank, N.A. and Preston Hollow, LLC.

   AYES: Oliva, Jackson, Garcia, Silva, Viegas-Walker
   NOES: None
   ABSENT: None
   ABSTAINED: None

PUBLIC COMMENTS
None

ADJOURNMENT
Being no further business, the meeting was adjourned at 7:33 p.m.

____
L. Diane Caldwell, Secretary

APPROVED BY

____
Edgard Garcia, Chairperson

SPECIAL MEETING
FINANCING AUTHORITY
CITY OF EL CENTRO, CALIFORNIA
TUESDAY, JUNE 30, 2020   12:00 P.M.

The Financing Authority of the City of El Centro met in special meeting session on June 30, 2020 at 12:04 p.m.

PRESENT: Garcia, Jackson (via teleconference), Silva, Viegas-Walker, Oliva
Secretary Wyles, Executive Director Piedra, Attorney Martyn Evans (Teleconference)

CONSENT AGENDA

1. Moved by Jackson, second by Garcia, approval of the Waiver (Forbearance Agreement) with Preston-Hollow Capital, LLC, El Centro Regional Medical Center (ECRMC), El Centro Financing Authority, and MUFG Union Bank, N.A. (the bond Trustee).

   AYES: Garcia, Jackson, Silva, Viegas-Walker, Oliva
   NOES: None
   ABSENT: None
   ABSTAINED: None

PUBLIC COMMENTS
None

ADJOURNMENT
Being no further business, the meeting was adjourned at 12:05 p.m.

Norma Wyles, Secretary

APPROVED BY

Efrain Silva, Chairperson

Public Hearing to approve issuance of Lease Revenue Bonds (Library Project), 2021Series A.

CITY MANAGER'S RECOMMENDATION:
Adopt Resolution No. FA 21- , RESOLUTION OF THE EL CENTRO FINANCING AUTHORITY APPROVING THE ISSUANCE OF LEASE REVENUE BONDS (LIBRARY PROJECT), 2021 SERIES A, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $22,000,000; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT, AN INDENTURE AND A BOND PURCHASE AGREEMENT; AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

FISCAL IMPACT:
Based on conservative assumptions on current market rates, a General Fund backed lease financing (sized to reflect available Measure P revenues) that raises approximately $20 million for the new library facility will cost approximately $1.20 million annually in lease payments through October 1, 2047. It is also anticipated that the new Library facility and improved library services will require increased annual General Fund expenditures to fund Library operations and facility maintenance by $300,000 for a total Library operations budget of $1.07 million.

STRATEGIC PLANNING PROGRAM 2013-2018 RELATION:
N/A

DUE DILIGENCE CHECK FOR CONTRACTORS/CONSULTANTS: DID THE DEPARTMENT VERIFY CURRENT EL CENTRO BUSINESS LICENSE, CONTRACTORS LICENSE, REFERENCE CHECKS, INSURANCE, ETC:
Yes. NHA Advisors and Norton Rose Fulbright US LLP each have an in-force business license on file with the City.

BACKGROUND:
The City's residents approved a one-half percent (1/2%) local transactions and use tax, "Measure P, in November 2016. This local tax is a "general tax" as opposed to a specific tax; therefore, the revenues collected are not restricted and may be used for any City governmental purpose. Ballot language for Measure P indicated that the funds would be allocated toward maintaining City services and facilities, including police, fire protection, library, parks and recreation, senior programs, and street maintenance and upgrades. In October 2017, City Council formed four Measure P Working Groups - Public Works, Parks & Recreation, IT/ADA, and Community Enhancement.

As of June 30, 2020 the Measure P fund balance was approximately $11.0 million. It is expected that approximately $5.7 million of additional Measure P sale tax revenues will be received in Fiscal Year 2020-21.

DISCUSSION:

City staff has been working with its municipal advisor, NHA Advisors, to analyze and evaluate the capacity to finance this 2021 Library Project ($20 million budget) and the 2022 Police Headquarters Project ($36 million budget) sized using a portion of the Measure P monies through Measure P's expiration date of June 30, 2047, to accomplish the goals outlined in the Measure P ballot language.

NHA has conducted its own due diligence and utilized very recent information received from the Request for Qualification for Underwriting Services process to ascertain a preferred Plan of Finance that meets the objectives established by the City Council: Fund the Library and Police Headquarters Projects AND help maintain the City's financial sustainability and resiliency.

Bond Structure - Per a discussion with the City's Bond Counsel, Norton Rose Fulbright US LLP, the legal structure for the bond financing will be a lease revenue bond structure. Under such structure, the City's General Fund revenues provide repayment for the financing, and a physical asset is required to serve as the "Leased Asset" to further provide security for the financing. This financing structure is similar to what the City executed in 2009 to finance a portion of its street improvement program. Under a lease revenue financing structure, a City cannot legally begin making lease payments until it has beneficial use and possession of the facilities that will serve as the leased asset for the financing; however the City can begin to pay its lease payments upon receipt of a temporary certificate of occupancy ("TCO"), even if some "punch-list" items remain before a final TCO is issued]

Given that the lease assets are typically the new facilities being constructed, the City cannot legally make lease payments during the construction period unless a substitute asset can be used during this construction period absent funding of interest by the City which adds cost to the financing. The Aquatic Center is identified as an asset of suitable quality and value to serve as this substitute asset during the construction period of the Library. Once the Library receives a certificate of occupancy, then the Aquatic Center may be removed after "pro forma" paperwork and certifications are concluded so that only the Library itself will serve as the Leased Asset.

By using the Aquatic Center as the Leased Asset during construction, it is anticipated that municipal bond insurance will be secured, thus enhancing the 2021 Bonds' credit rating to "AA" and increasing the marketability of these Bonds to investors and securing a lower interest rate.

Finally, it is expected that the 2021 Bonds will be supported by a level annual lease payment structure that begins amortizing principal immediately and has a final maturity of October 1, 2047.

FINANCING DOCUMENTS AND SCHEDULE:

Indenture: The Indenture sets the terms and conditions of the 2021 Bonds, including optional prepayment. These terms will be finalized upon the actual sale of the bonds to investors and after the bond purchase agreement is executed.

Site and Facility Lease: This is an agreement between the City and the Authority providing the mechanism from which the Authority may then lease the leased asset back to the City in exchange for the lease payments sufficient to pay debt service on the 2021 Bonds.

Lease Agreement: This agreement provides for the leasing of the leased asset back from the Authority to the City in exchange for semi-annual lease payments commensurate with the debt service on the 2021 Bonds. The City's General Fund will make the lease payments over the term of the Lease Agreement.

Assignment Agreement: This agreement provides for the assignment of Lease Revenues received by the Authority to the trustee, U.S. Bank National Association, in order for payment by trustee of debt service payments on the 2021 Bonds.

Bond Purchase Agreement: Pursuant to the Bond Purchase Agreement (BPA), the Underwriter (Ramirez & Co., Inc.) will agree to buy the 2021 Bonds at specified prices and interest rates, subject to satisfaction of certain requirements, such as the City's execution and delivery of the indentures and delivery of closing certificates and opinions. The BPA will be presented to the authorized officers of the City for approval and execution on the pricing date after the Underwriter has completed the offering to the investors and the pricing of the 2021 Bonds. The Resolution specifies the maximum underwriter's discount and other financing parameters that must be met before moving forward on the transaction.

Preliminary Official Statement: A preliminary official statement (POS) has been prepared to provide material information to investors regarding the terms and security of the 2021 Bonds. The POS contains information about the City's General Fund, including budget performance and information about the City's reserves and financial policies, as well as audited financial statements. The POS also includes descriptions of the legal and financial aspects of the 2021 Bonds, as well as a summary of the various related legal documents. Certain information which will be determined upon the pricing of the 2021 Bonds (such as the final principal amount, the interest rates and the redemption dates are either omitted or noted as "preliminary, subject to change" in the POS. The Underwriter will use the POS to market the 2021 Bonds to potential investors. Once the 2021 Bonds have been priced, the final pricing information will be inserted into the POS, thereby converting it to an Official Statement. The Underwriter will then distribute the Official Statement to the individuals and institutions that placed orders to buy the 2021 Bonds from the Underwriter.

Continuing Disclosure Agreement - Under the Continuing Disclosure Agreement, the City will agree to provide an annual report containing certain information relevant to the security of the 2021 Bonds, to be filed on the EMMA system (the internet-based information repository maintained by the Municipal Securities Rule Making Board for municipal bonds issued in the United States) to make such information available to the investors. The City will also agree to disclose and make filings upon the occurrence of enumerated events (such as a rating change on the 2021 Bonds).

Next Steps:

If City Council and Authority Board elect to approve the two resolutions, City staff will work with the financing team to immediately ready the 2021 Bond transaction for a public sale. Below is a summary of the financing schedule:

Date	**Activity**
4/06/21	City Council and Authority Board Approve Financing Resolutions
4/14/21	Release Preliminary Official Statement to Underwriter to begin marketing of 2021 Bonds to Investors
4/21/21	2021 Bond Order Period, Verbal Award and Execution of Bond Purchase Agreement
5/12/21	Close Financing

The City Council resolution sets forth certain parameters upon any sale of the Bonds. These parameters are: (1) the par amount of the bonds cannot exceed $22 million, (2) the underwriter's discount cannot exceed 0.425% of the par amount of the Bonds.

CONCLUSION:

Measure P funds are a highly strategic asset intended to fund the City facilities, infrastructure and services/maintenance to maintain and enhance all City stakeholder's interests. The Plan of Finance to accomplish the objectives outlined by City Council and the voters who approved Measure P in 2016 will provide the means to accomplish the objectives.

ATTACHMENTS:

- Fin Authority Resolution - EC Library Project FINAL (PDF)
- FinAuthority- Lease Agreement - EC Library Project FINAL (PDF)
- FinAuthority- Site and Facility Lease - FINAL (PDF)
- FinAuthority-Assignment Agreement - Library Project FINAL (PDF)
- FinAuthority-Bond Purchase Agmnt EC Library Project FINAL (PDF)
- FinAuthority-Indenture - EC Library Project FINAL (PDF)
- Preliminary Official Statement - Library 2021 Bond Project 03-28-2021 (PDF)

RESOLUTION NO. ___

RESOLUTION OF THE EL CENTRO FINANCING AUTHORITY APPROVING THE ISSUANCE OF LEASE REVENUE BONDS (LIBRARY PROJECT), 2021 SERIES A, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $22,000,000; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT, AN INDENTURE AND A BOND PURCHASE AGREEMENT; AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, the El Centro Financing Authority (the "Authority") has been formed pursuant to a Joint Exercise of Powers Agreement, dated as of July 1, 1996 (the "Agreement"), by and between the City of El Centro (the "City") and the Successor Agency to the El Centro Community Redevelopment Agency, successor agency to the City's former Community Redevelopment Agency, and is authorized under the Agreement and under the laws of the State of California (the "State") to finance and refinance the acquisition and construction of public capital improvements for any of its members; and

WHEREAS, the City desires to finance the acquisition, construction and improvement of a new library facility in the City (the "Library Project"); and

WHEREAS, it has been proposed that the Authority assist the City in providing funds to finance the Library Project by entering into an Indenture, dated as of May 1, 2021 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee and providing for the issuance and delivery of the Authority's Lease Revenue Bonds, 2021 Series A (Library Project) (the "Bonds"); and

WHEREAS, the City, as one of the members of the Authority, has heretofore held a public hearing pursuant to Section 6586.5 of the Government Code California of the State and in connection therewith has approved the Authority's financing of the Library Project and has found and determined that (i) the Library Project is located within the boundaries of the City and (ii) there are significant public benefits (as defined in Section 6586 of the Government Code of the State) arising from the Authority's issuance of the Bonds to finance the Library Project; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the governing body of a public body obtain prior to authorizing the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

WHEREAS, the Board of Directors (the “Board) of the Authority has duly considered the issuance of the Bonds, has found such issuance to have significant public benefits, and wishes at this time to approve the issuance of the Bonds; and

WHEREAS, the City Council has approved the Site and Facility Lease, the Lease, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EL CENTRO FINANCING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Approval of the Issuance of the Bonds. The Board hereby approves the issuance of the Bonds in the aggregate principal amount not to exceed $22,000,000.

Section 2. Approval of the Site and Facility Lease. The Board hereby approves the Site and Facility Lease in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. The Chairperson, Executive Director, or the Vice-Chairman of the Authority, or their designee, or any member of the Board (each, a “Responsible Officer”) are each hereby authorized to execute the Site and Facility Lease in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of the Lease Agreement. The Board hereby approves the Lease Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Lease Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of the Assignment Agreement. The Board hereby approves the Assignment Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Assignment Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Approval of the Indenture. The Board hereby approves the Indenture in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Indenture in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Approval of the Preliminary Official Statement and Official Statement. The Board hereby approves a Preliminary Official Statement relating to the Bonds, in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel and Disclosure Counsel, to make the Preliminary Official Statement final as of its date, except for the omission of certain information, as permitted by Section 240.15c2-12(b) of Title 17 of the Code of Federal Regulations ("Rule 15c2-12"), and any certificate relating to the finality of the Official Statement under Rule 15c2-12. A Responsible Officer is authorized and directed to execute and deliver a final Official Statement, with such additions and changes as may be approved by Bond Counsel and Disclosure Counsel and the Responsible Officer executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Approval of the Bond Purchase Agreement. The Board hereby approves the Bond Purchase Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Bond Purchase Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such additions, deletions or changes in the Bond Purchase Agreement shall provide for an Underwriter's discount or fee (excluding any original issue discount) not to exceed 0.425% and a true interest cost with respect to the Bonds not greater than 4.00%.

Section 8. Good Faith Cost Estimates. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 9. Official Actions. The Responsible Officers, the Secretary, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including the publication of any notices necessary or desirable in connection with the sale of the Bonds, procurement of a municipal bond insurance policy, if any, and reserve fund surety bond, if any, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

Section 10. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a regular meeting of Board of Directors of the El Centro Financing Authority held on the ___ day of ________ 2021.

EL CENTRO FINANCING AUTHORITY

____

Cheryl Viegas-Walker, Chairperson

ATTEST:

____

Norma Wyles, Secretary

APPROVED AS TO FORM:

____

Elizabeth L. Martyn, Authority Counsel

STATE OF CALIFORNIA)

COUNTY OF IMPERIAL)

CITY OF EL CENTRO)

I, Norma Wyles, Secretary of the El Centro Financing Authority do hereby certify that the foregoing Resolution No. 21-__ was duly and regularly adopted at a regular meeting of the El Centro Financing Authority held on _____ 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By ______________________________
Norma Wyles, Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from Ramirez & Co. with respect to the bonds (the "Bonds") approved in the Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of $17,585,000.00 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 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 3.211817%.

2. *Finance Charge of the Bonds.* Assuming an aggregate principal amount of $17,585,000.00 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is 279,736.25, as follows:

a)	Underwriter's Discount	$74,736.25
b)	Municipal Advisor	67,500.00
c)	Bond Counsel and Disbursements	49,800.00
d)	Disclosure Counsel	35,000.00
e)	Rating Agency	25,000.00
f)	Title Insurance	13,700.00
g)	Other Expenses	14,000.00
	Total	$279,736.25

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of $17,585,000.00 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds less the finance charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $20,000,693.85.

4. *Total Payment Amount.* Assuming an aggregate principal amount of $17,585,000.00 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $31,980,931.94.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's and the Authority's control. The City and the Authority have approved the issuance of the Bonds with a maximum true interest cost of 4.00%.

NRF DRAFT
3/18/21

LEASE AGREEMENT

Dated as of April 1, 2021

by and between

EL CENTRO FINANCING AUTHORITY

and

CITY OF EL CENTRO

Relating to

$__________
El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

TABLE OF CONTENTS

LEASE AGREEMENT

This Lease Agreement, dated as of April 1, 2021 (this "Lease"), is made by and between the EL CENTRO FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), as lessor, and the CITY OF EL CENTRO, a general law city duly organized and existing under the laws of the State of California (the "City" or "Lessee"), as lessee.

RECITALS:

WHEREAS, the City of El Centro, California (the "City") and the [successor agency to the City's former Community Redevelopment Agency], have previously entered into a Joint Exercise of Powers Agreement, dated as of April 1, 2021, establishing the El Centro Financing Authority (the "Authority") for the purpose of, among other things, issuing its bonds to be used to provide financing and refinancing of obligations of the City; and

WHEREAS, the Authority has determined to issue its Lease Revenue Bonds, 2021 Series A in the aggregate principal amount of $________ (the "2021A Bonds") pursuant to an Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee") for the purposes of (i) funding all or a portion of the Library Project and (ii) paying the related costs of issuing the 2021A Bonds; and

WHEREAS, in connection with the issuance of the 2021A Bonds, the City and the Authority have entered into a Site and Facility Lease, dated as of April 1, 2021 (the "Site Lease"), whereby the Authority has agreed to lease the Leased Property described in Exhibit A, consisting of ______________ in the City; and

WHEREAS, the Authority, pursuant to this Lease, will sublease the Leased Property described in Exhibit A to the City, in consideration for base rental payments to be made by the City pursuant to this Lease, in accordance with the base rental schedule in Exhibit B, that corresponds in amount to the principal and interest coming due with respect to the 2021A Bonds; and

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

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

SECTION 1. DEFINITIONS

Terms used herein and not otherwise defined herein but defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

"Additional Rental Payments" means Additional Rental Payments due under Section 3(b) hereof.

"Base Rental Payments" means the 2021 Base Rental Payments.

"Expiration Date" means _______, 20__.

"Insurance Consultant" means an individual or firm retained by the City as an independent insurance consultant, experienced in the field of risk management.

"Interest Component" means the interest component of any Base Rental Payments as set forth in the exhibit to this Lease relating to such Base Rental Payments.

"Lease" means this Lease Agreement.

"Leased Property" means the Leased Property of the City, as more particularly described in Exhibit A.

"Net Proceeds" means proceeds of any casualty or title insurance or condemnation awards, paid with respect to the Leased Property remaining after payment therefrom of all expenses in the collection thereof.

"Permitted Encumbrances" means, with respect to the Leased Property, as of any particular time, (i) the Site Lease; (ii) this Lease, (iii) the Indenture, the Assignment Agreement and the Trustee's and the Authority's interests in the Leased Property, (iv) liens for taxes and assessments not then delinquent, (v) utility, access and other easements and rights of way, restrictions and exceptions that as certified in a Certificate of the City will not interfere with or impair the use intended to be made of the Leased Property; (vi) encumbrances upon any additions and improvements to the Leased Property as permitted in this Lease and which do not materially impair the use intended to be made of the portions of the Leased Property other than such additions and improvements; (vii) any sublease or use permitted by this Lease, (viii) covenants, conditions or restrictions or liens of record relating to the Leased Property and existing on the Closing Date; and (xiv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Leased Property and as do not materially impair the use intended to be made of property affected thereby.

"Principal Component" means the principal component of any Base Rental Payments as set forth in the exhibit to this Lease relating to such Base Rental Payments.

"2021 Base Rental Payments" means Base Rental Payments to be made by the City hereunder in accordance with the base rental schedule attached hereto as Exhibit B in connection with the 2021A Bonds.

SECTION 2. TERM

The Authority hereby leases to the City and the City hereby leases from the Authority, on the terms and conditions hereinafter set forth, the Leased Property. The term of this Lease shall commence on _________, 2021.

The term of the leasehold interest created hereby shall expire on the earliest of (i) the Expiration Date; (ii) the date the last Base Rental Payment is made under the provisions hereof; or (iii) the date of discharge of all of the 2021A Bonds pursuant to Section 10.03 of the Indenture. Notwithstanding the foregoing, the term of this Lease shall automatically be extended for a period of ten (10) years, if, on the Expiration Date, the 2021A Bonds have not been fully discharged, and shall terminate on the date when the 2021A Bonds have been fully discharged.

SECTION 3. RENTAL

Subject to the provisions of Sections 11 and 16 hereof, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property, the following amounts at the following times:

(a) Base Rental Payments; Additional Rental Payments. The City shall pay the Base Rental Payments to the Trustee, as assignee of the Authority, as hereinafter provided, in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B, less any amounts credited against the Base Rental Payments pursuant to Section 3.04 of the Indenture. The City shall pay to the Trustee the Base Rental Payments coming due fifteen (15) Business Days prior to the next succeeding April 1 and October 1, respectively, as set forth in Exhibit B and such payments shall constitute payment in arrears in consideration for the City's use and possession of the Leased Property for the six-month period preceding the due date of such Base Rental Payments.

(b) Additional Rental Payments. The City shall also pay, as "Additional Rental Payments" hereunder, in addition to the Base Rental Payments, to the Trustee, as assignee of the Authority, as hereinafter provided, such amounts in each year as shall be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the 2021A Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of this Lease or the assignment hereof, the Indenture, or the Authority's or the Trustee's interest in the Leased Property, including, but not limited to, all fees, costs and expenses, all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), fees of auditors, accountants, attorneys or engineers, all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the 2021A Bonds or of the Indenture.

Such Additional Rental Payments shall be billed to the City by the Authority or the Trustee from time to time. Amounts so billed shall be paid by the City within sixty (60) days after receipt of the bill by the City.

(c) Fair Rental Value. Such payments of Base Rental Payments and Additional Rental Payments for each rental payment period shall constitute the total rental for such rental payment period, and shall be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The City represents and covenants that the useful life of the Leased Property is not shorter than the final maturity of the 2021A Bonds. The parties to the Lease specifically acknowledge that the annual fair rental value of the Leased Property is in excess of the maximum annual Base Rental Payments. In making such determination, consideration has been given to other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public. The determination of fair rental value of the Leased Property pursuant to this paragraph shall not be deemed to be controlling in connection with a determination of fair value of the Leased Property by the parties hereto for any other purpose.

(d) Payment of Base Rental Payments. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to the order of the Trustee at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee shall designate. The Base Rental Payments shall be made on a *pari passu* basis with each other. Notwithstanding any dispute between the City and the Authority, the City shall make all Base Rental Payments when due, without deduction or offset of any kind, and shall not withhold any Base Rental Payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said Base Rental Payments or any portion thereof, said Base Rental Payments or excess of payments, as the case may be, shall, at the option of the City, be credited against subsequent Base Rental Payments due hereunder or be refunded at the time of such determination.

(e) Increases in Aggregate Base Rental Payments. The City covenants that it shall not permit an increase in the Base Rental Payments without first obtaining an opinion of Bond Counsel to the effect that the incurring of such increased Base Rental Payments will not impair the validity and enforceability of this Lease.

(f) Covenant to Budget and Appropriate. The City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental Payments and Additional Rental Payments, subject only to abatement as provided in Section 16 hereof. The City will furnish to the Authority and the Trustee annually, on or before October 1, a certificate stating that it has complied with the covenant set forth in this paragraph. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the City.

The obligation of the City to make Base Rental Payments or Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Neither the 2021A Bonds nor the obligation of the City to make Base Rental Payments or Additional Rental Payments constitutes an indebtedness of the City, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

SECTION 4. USE OF PROCEEDS

The parties hereto agree that the proceeds of the 2021A Bonds will be used to provide funds to (i) finance the acquisition, construction and improvement of a new library facility in the City (the "Library Project"), as described herein, (ii) [fund a reserve for the 2021A Bonds,] (iii) [fund all or a portion of capitalized interest through ______ 1, 20__,] and (iv) pay the related costs of issuing the 2021A Bonds.

SECTION 5. MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS

During such time as the City or any assignee or sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of (a) all utility services supplied to the Leased Property, (b) the cost of operation of the Leased Property, and (c) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City shall at the City's sole cost and expense keep and maintain the Leased Property clean and in a safe and good condition and repair. The Authority shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the parties hereto affirm that the Authority has made no representations or warranties to the City respecting the condition of the Leased Property.

The City shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property.

The City waives the right to make repairs at the Authority's expense under Subsection 1 of Section 1932 and Section 1942 of the California Civil Code, or any other such law, statute, or ordinance now or hereafter in effect.

The parties hereto contemplate that the Leased Property will be used for public purposes by the City and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. If the use, possession or acquisition by the Authority or the City of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Lease is in effect.

SECTION 6. CHANGES TO THE LEASED PROPERTY

The City shall have the right during the term of this Lease to acquire and construct improvements or to attach fixtures, structures or signs to the Leased Property if such improvements, fixtures, structures or signs are necessary or beneficial for the use of the Leased Property by the City; provided, however, that no such acquisition or construction shall result in a material reduction in the value of the Leased Property, reduce the fair rental value thereof or substantially alter the nature of the Leased Property.

Upon termination of this Lease, the City may remove any fixture, structure or sign added by the City, but such removal shall be accomplished so as to leave the Leased Property, except for ordinary wear and tear and damage by casualty, in substantially the same condition as it was in before the fixture, structure or sign was attached.

SECTION 7. TAX COVENANTS

Covenants to Maintain Tax-Exempt Status of the Bonds.

(a) Special Definitions. When used in this Section, the following terms have the following meanings:

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

"Computation Date" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"Gross Proceeds" means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

"Investment" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of that Series of Bonds.

"Rebate Amount" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"Tax Regulations" means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

"Yield" of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The City covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to Section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Trustee receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect such exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the City shall comply with each of the specific covenants in this Section.

(c) Private Use or Private Payments. Except as would not cause any Bond to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations, the City shall take all actions necessary to assure that the City at all times prior to the final cancellation of the last of the Bonds to be retired:

(1) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(d) No Private Loan. Except as would not cause any Bond to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the City shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the City shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the City shall take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The City shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate, the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The City shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date. The Trustee may rely conclusively upon the City's determinations, calculations and certifications. The Trustee shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

(3) In order to assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in

the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the City at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T prepared by the City or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the City.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the City shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (g) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(i) Bonds Not Hedge Bonds.

The City represents that none of the Prior Bonds nor the Bonds is or will become a "hedge bond" within the meaning of section 149(g) of the Code.

(1) Without limitation of clause (1) above, (A) on the date of issuance of the Prior Bonds the City reasonably expected that at least 85% of the spendable proceeds thereof would be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Prior Bonds were invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(2) As of the date of issuance of the Bonds the City reasonably expects that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(k) Elections. The City hereby directs and authorizes any City Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(1) Closing Certificate. The City agrees to execute and deliver in connection with the issuance of the Bonds a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

The City shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the City agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

SECTION 8. SUBSTITUTION, ADDITION AND RELEASE OF PROPERTY

The parties to the Lease specifically acknowledge that the annual fair rental value of the Leased Property is in excess of the maximum annual Base Rental Payments. The City shall have, so long as this Lease is in effect, and is hereby granted, the option at any time and from time to time, to substitute other real property (the "Substitute Property") for any portion of the Leased Property (the "Former Property"), add to or release any identifiable real property and/or improvements currently constituting the Leased Property (in such case, Substitute Property shall mean the Former Property less any portion released pursuant to this Section); provided, that the City shall satisfy all of the following requirements, which are conditions precedent to such substitution:

(a) No default under Section 10 hereof or Event of Default shall have occurred and be continuing;

(b) The City shall file with the Authority and the Trustee, and cause to be recorded in the office of the County Recorder, sufficient memorialization of amendments to this Lease and the Site Lease which replaces Exhibit A hereto and Exhibit A to the Site Lease with a description of such Substitute Property which deletes therefrom the description of the Former Property;

(c) The City shall obtain an extended California Land Title Association ("CLTA") policy of title insurance insuring the City's fee or leasehold estate in such Substitute Property, the City's leasehold estate hereunder, and the Authority's leasehold estate under the Site Lease in such Substitute Property, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Outstanding Bonds; provided, however, that this requirement shall not apply to Substitute Property that consists only of Former Property less any released portion;

(d) The City shall provide a Certificate of the City to the Authority and to the Trustee that such Substitute Property constitutes property which the City is permitted to lease under the laws of the State of California;

(e) The substitution of the Substitute Property shall not cause the City to violate any of its covenants, representations and warranties made herein;

(f) The City shall file with the Authority and the Trustee a Certificate of the City or other evidence which establishes that the annual fair rental value of the Substitute Property after substitution or release will be at least equal to 100% of the maximum amount of the Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year and the useful economic life of the Substitute Property shall be at least equal to the maximum remaining term of this Lease; and

(g) The City shall furnish to the Trustee an opinion of Bond Counsel addressed to the Trustee, the City and the Authority to the effect that the substitution or release is permitted under this Lease.

Upon the satisfaction of all such conditions precedent, and upon the City delivering to the Authority and the Trustee a Certificate of the City certifying that the conditions set forth in subsections (a), (c) and (e) of this Section have been satisfied, the Term of this Lease shall thereupon end as to the Leased Property and shall thereupon commence as to the Substitute Property, and all references to the Leased Property shall apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Base Rental Payments whatsoever as a result of any substitution or removal hereunder.

SECTION 9. INSURANCE

(a) The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in this Section 8, all coverage on the Leased Property required by this Section 9.

Such insurance shall consist of:

(1) Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Leased Property. Such insurance shall afford protection with a combined single limit of not less than $1,000,000 per occurrence with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose, subject to a deductible clause of not to exceed $500,000. The City's obligations under this clause (1) may be satisfied by self-insurance;

(2) The City shall maintain or cause to be maintained, throughout the term of this Lease, casualty insurance against loss or damage to any or all of the Leased Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, and against loss of Leased Property by theft. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The insurance required by this paragraph shall be in an amount not less than the principal amount of the Outstanding Bonds. The City's obligations under this clause (2) may be satisfied by self-insurance;

(3) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act enacted as an amendment or

supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Leased Property and to cover full liability for compensation under any such act; provided, however, that the City's obligations under this clause (3) may be satisfied by self-insurance; and

(4) Rental interruption insurance in an amount not less than the maximum remaining scheduled Base Rental Payments in any twenty-four (24) month period, by an insurance provider rated at least "A" by A.M. Best & Company, to insure against loss of use of the Leased Property caused by perils covered by the insurance required in Section 9(a)(1). Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the City and must list the Authority and the Trustee as additional insured parties. Such insurance shall be in place as of the Closing Date. The net proceeds of such insurance shall be paid to the Trustee and credited toward the payment of the Base Rental Payments in the order in which such Lease Payments come due and payable.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be canceled or materially changed without at least 30 days' prior written notice to the Authority and the Trustee. Certificates of comprehensive general liability and workers' compensation insurance shall be furnished by applicable insurers to the City, and, at least ten days prior to the expiration dates of such policies, if any, evidence of renewals shall be deposited with the Trustee.

If the City elects to provide self-insurance pursuant to clauses (1), (2) and/or (3) above, the City shall annually cause to be delivered to the Trustee, upon request, a certificate of an Insurance Consultant certifying to the adequacy of the City's reserves for such insurance.

All policies or certificates of insurance provided for herein shall name the City as a named insured and the Trustee as an additional insured. All proceeds of insurance maintained under clauses (1) and (3) shall be deposited with the City and under clause (2) shall be deposited with the Trustee.

Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers at a reasonable cost on the open market.

(b) Form of Policies. The City shall deliver to the Trustee on or before the Closing Date and each anniversary of the Closing Date a Certificate of the City that all insurance required under this Lease is in full force and effect. If the City obtains insurance through a pooled insurance program of governmental entities, an annual statement or memorandum of coverage delivered to the Authority and the Trustee will satisfy the requirements of this subsection. The Trustee and the Authority shall not be responsible for the sufficiency of any insurance herein required or payment of premium and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City.

(c) Advances. If the City shall fail to perform any of its obligations under this Section, then the Authority or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the City, and the City shall be obligated to repay all such advances as soon as possible.

SECTION 10. DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS

If prior to the termination of the term hereof (a) the Leased Property is destroyed (in whole or in part) or is damaged by fire of other casualty, or (b) title to, or the temporary use of, any portion of the Leased Property or the estate of the Authority or the City in the Leased Property or any portion shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority, then the City and the Authority shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Leased Property or portion thereof, in accordance with the provisions of this Section 9. If Net Proceeds are insufficient to repair or replace the Leased Property or portion thereof, the City shall, to the extent permitted by law, use its best efforts to fund any deficiency from any legally available funds.

If there is an abatement of rental payments pursuant to Section 16 hereof as a result of such casualty or event, and the City elects pursuant to Section 11(a) hereof to apply such insurance proceeds and such other sums as are deposited by the City pursuant to such Section to the prepayment of Base Rental Payments rather than replacing or repairing the destroyed or damaged portion of the Leased Property, then this Lease shall terminate with respect to the destroyed or damaged portion of the Leased Property as of the later of the date of such election by the City or the date the amount required by Section 11(a) hereof is received by the Trustee.

The provisions of Section 1932, Subdivision 2, and Section 1933, Subdivision 4, of the California Civil Code, including any amendments thereto and any other law which may hereinafter be in force during the term of this Lease which authorizes the termination of this Lease upon the partial or complete destruction of the Leased Property, are hereby waived by the City.

The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the 2021A Bonds remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Leased Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Leased Property, the value of the Leased Property shall not be less than the greater of (i) if Outstanding Bonds are then subject to redemption, the principal and interest due on the Outstanding Bonds through the date of their redemption, or (ii) if such Outstanding Bonds are not then subject to redemption, the amount necessary to defease such Outstanding Bonds to the first available redemption date in accordance with the Indenture.

The City shall deposit any proceeds received from insurance and condemnation awards with respect to the destruction or partial destruction of Leased Property with the Trustee for deposit into the: (a) 2021 Insurance and Condemnation Fund if the City elects to repair the Leased Property or (b) the Lease Revenue Fund if the City elects to redeem the Outstanding Bonds. The City shall have forty-five (45) days from the date of any such destruction or partial destruction to determine whether to repair the Leased Property or use insurance and condemnation award proceeds received to redeem such bonds. To the extent that the City determines not to repair the Leased Property and cannot use insurance and condemnation award proceeds to redeem such bonds, the City shall and hereby covenants to substitute property for such Leased Property of equivalent or greater value in accordance with the provisions of Section 7 hereof. If the City determines to repair the Leased Property, disbursements by the Trustee shall only be made upon presentation of a requisition in a form substantially similar to Exhibit C of the Indenture. If the City determines to cause the redemption of less than the full amount of the Outstanding Bonds, such redemption shall only be made to the extent the remaining fair rental value of the Leased Property is sufficient to support the remaining Base Rental Payments supporting debt service on the Outstanding Bonds.

SECTION 11. DEFAULT

(a) Each of the following events constitutes an Event of Default hereunder:

(1) Failure by the City to pay any Base Rental Payment or other payment (including Additional Rental Payments) required to be paid hereunder at the time specified herein.

(2) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding subsection (1), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority. However, if the City notifies the Authority that in its reasonable opinion the failure stated in the notice can be corrected, but not within such thirty (30) day period, the failure will not constitute an Event of Default if the City commences to cure the failure within such thirty (30) day period and thereafter diligently and in good faith cures such failure in a reasonable period of time; provided, that such cure period shall not extend beyond sixty (60) days.

(3) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(b) If default shall be made by the City in the observance or performance of any agreement, condition, covenant or term contained herein required to be observed or performed by it (including, without limitation, the payment of any Base Rental Payments or

Additional Rental Payments due hereunder), subject to the provisions of subsection (a)(2) of this Section, the Authority may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority may have) recover rent and other monetary charges as they become due hereunder without terminating the City's right to possession of the Leased Property, regardless of whether or not the City has abandoned the Leased Property, and the Authority shall have the right and the City hereby irrevocably appoints the Authority as its agent and attorney in fact for such purpose to attempt to sublet or re-let the Leased Property at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Leased Property, including the removal of persons therefrom or taking possession thereof or the removal of property therefrom to a storage facility located elsewhere in the City, as the Authority deems desirable or necessary, and the City hereby waives any and all claims for any damages that may result to the Leased Property thereby except for such damages caused by the gross negligence or intentional misconduct of the person taking such actions; provided, that no such actions shall be deemed to terminate the Lease and the City shall continue to remain liable for any deficiency that may arise out of such re-letting, taking into account expenses incurred by the Authority due to such re-letting, payable at the same time and manner as provided for Base Rental Payments in Section 3(a). In the event the Leased Property is re-let, the City shall cooperate with the Authority to provide reasonable parking access for the Leased Property.

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

(c) Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise each and every one of the following remedies:

(1) *Proceedings at Law or In Equity*. If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(2) *Remedies under the Site Lease*. If an Event of Default occurs and continues hereunder, the Authority may exercise its rights under the Site Lease.

SECTION 12. PREPAYMENT AND CREDITS

(a) Prepayment From Net Proceeds.

(1) The City may prepay, from Net Proceeds of insurance or a condemnation award received by it pursuant to Section 9, the Principal Component of Base Rental Payments then unpaid (and corresponding Interest Component), in whole or in part on any date, pursuant to Section 9 hereof, at a prepayment price equal to the sum of the Principal Component prepaid plus accrued interest thereon to the date of prepayment.

(2) Prepayments made pursuant to this subsection (a) shall be allocated *pro rata* among the Principal Components of Base Rental Payments relating to the 2021A Bonds.

(b) Optional Prepayment.

The City may at its option prepay from any source of available moneys for redemption of 2021A Bonds pursuant to Section 2.03(b) of the Indenture, all or any part (in an integral multiple of $5,000) of the Principal Component of Base Rental Payments (and corresponding Interest Component), so that the aggregate annual amounts of Principal Component of Base Rental Payments which shall be payable after such prepayment shall each be an integral multiple of $5,000, at a prepayment price equal to the principal amount to be redeemed, plus accrued but unpaid interest to the prepayment date, without premium.

Before making any prepayment pursuant to this Section, the City shall give written notice to the Trustee specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given unless the Trustee agrees to a shorter period.

The Authority and the City hereby agree that any prepayment in part under this Section and the redemption of any 2021A Bonds by the Authority pursuant to Section 2.03(b) of the Indenture shall be credited towards the City's obligations hereunder at the option of the City in any manner determined in writing delivered to the Trustee by the City. A prepayment made pursuant to this Section shall not cause a defeasance of any 2021A Bonds unless the requirements of Section 10.03 of the Indenture are satisfied.

In the event of prepayment in full of the Principal Component of all Base Rental Payments, such that this Lease shall be terminated by its terms as provided in Section 2, all amounts then on deposit under the Indenture which are to be credited to the City's obligations to make Base Rental Payments shall be credited towards the amounts then required to be so prepaid.

SECTION 13. MECHANICS' LIENS

In the event the City shall at any time during the term of this Lease cause any improvements or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other liens against the Leased Property or the Authority's interest therein, and will cause any such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

SECTION 14. QUIET ENJOYMENT

The parties hereto mutually covenant that the City, so long as it keeps and performs the covenants and agreements herein contained, shall at all times during the term of this

Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

SECTION 15. INDEMNIFICATION

The City shall, to the full extent then permitted by law, indemnify, defend, protect and hold harmless the Authority, the Trustee and their members, officers, directors, agents and employees from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof (except for claims arising out of willful misconduct or negligence on the part of the Authority or the Trustee or their respective members, officers, directors or employees), and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Lease and the Indenture, the payment of the costs of acquiring the Leased Property or any accident in connection with the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all rent obligations hereunder, the removal or resignation of the Trustee or the termination hereof for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property. The Authority and the City mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either party's learning thereof.

SECTION 16. ASSIGNMENT

The parties understand that this Lease and the rights of the Authority hereunder, with certain exceptions, will be assigned to the Trustee as provided in the Indenture and the Assignment Agreement, to which assignments the City hereby consents.

Neither this Lease nor any interest of the City hereunder shall be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise; provided, subject to the provisions of Section 17 hereof, that the Leased Property may be subleased in whole or in part by the City, but only subject to the following conditions, which are hereby made conditions precedent to any such sublease:

(a) This Lease and the obligation of the City to make all base rental payments and Additional Rental Payments hereunder shall remain the primary obligation of the City;

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

(c) No such sublease by the City shall cause the Leased Property to be used for a primary purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California, as evidenced by a Certificate of the City that is delivered to the Trustee; and

(d) Any sublease of the Leased Property by the City shall explicitly provide that such sublease is subject to all rights of the Authority under this Lease.

SECTION 17. ABATEMENT OF RENTAL

The obligation of the City to pay Base Rental Payments and Additional Rental Payments shall be abated during any period in which by reason of any damage, destruction, condemnation or title defect there is substantial interference with the use by the City of the Leased Property or any portion thereof. Such abatement shall be in an amount such that the resulting Base Rental Payments in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or title defect does not substantially interfere with the City's use and right of possession, as evidenced by a Certificate of the City. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation, taking or title defect and, with respect to damage to or destruction of the Leased Property, ending with the substantial completion of the work of repair or replacement of the Leased Property, or the portion thereof so damaged or destroyed, and the term of this Lease shall be extended as provided in Section 2 hereof. Notwithstanding the foregoing, to the extent that moneys are available for the payment of base rental payments in any of the funds and accounts established under the Indenture, such base rental payments shall not be abated but shall be payable by the City as a special obligation payable solely from such funds and accounts.

SECTION 18. RESERVED

SECTION 19. CONTINUING DISCLOSURE

The City will comply with the continuing disclosure requirements applicable to it promulgated under U.S. Securities and Exchange Commission Rule 15c2-12 and will also comply with its obligations under the Continuing Disclosure Agreement, dated as of April 1, 2021, by and between the City and the Trustee related to the 2021A Bonds that are subject to Rule 15c2-12; provided, however, that the sole remedy hereunder in the event of any failure of the City to comply with this covenant shall be an action to compel performance and the City's failure to comply with any continuing disclosure requirement shall not be deemed a default or an Event of Default.

SECTION 20. WAIVER

Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may be established between the parties in the course of administering this Lease be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease.

SECTION 21. NET LEASE

Subject to the provisions of Section 16 ("Abatement of Rental"), this Lease shall be deemed and construed to be a "Triple-Net-Lease" and the City hereby agrees that rental provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, taxes, fees, insurance premiums, rebate payments, Leased Property costs, reserve deposits, charges or setoffs whatsoever.

SECTION 22. AMENDMENTS.

This Lease may be amended in writing as may be mutually agreed by the Authority and the City; *provided*, that no such amendment which materially adversely affects the rights of the Owners shall be effective unless it shall have been consented to by the Owners of more than a majority in aggregate principal amount of the affected 2021A Bonds then Outstanding, and *provided further*, that no such amendment shall (a) extend the payment date of any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected, or (b) reduce the percentage of the Outstanding Bonds the consent of the Owners of which is required for the execution of any amendment hereof.

This Lease and the rights and obligations of the Authority and the City hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution by the Authority and the City without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners;

(b) to make such provisions for the purpose of curing any ambiguity of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners;

(c) to effect a Substitution or Removal;

(d) to increase the amount of Base Rental Payment payable hereunder for the purpose of allowing the Authority to add any real property to be acquired and leased hereunder; or

(e) for any other purpose which shall not materially adversely affect the interests of the Owners.

SECTION 23. ESSENTIALITY

The City covenants and agrees that the Leased Property is essential to the City's exercise of its governmental functions.

SECTION 24. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 25. NOTICES

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be made as provided in the Indenture.

SECTION 26. VALIDITY AND SEVERABILITY

If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the City semi-annually in consideration of the right of the City to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 27. SECTION HEADINGS

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 28. NO MERGER

If both the Authority's and the City's estate under this or any other lease relating to the Leased Property or any portion thereof shall at any time or for any reason become vested in one owner, this Lease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the City so elects as evidenced by recording a written declaration so stating, and unless and until the City so elects, the City shall continue to have and enjoy all of its rights and privileges as to the separate estates.

SECTION 29. EXECUTION

It is agreed that separate counterparts of this Lease may separately be executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

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

EL CENTRO FINANCING AUTHORITY

By ____________________________________
Executive Director

ATTEST:

By ____________________________________
Secretary

CITY OF EL CENTRO

By ____________________________________
City Manager

ATTEST:

By ____________________________________
City Clerk

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF IMPERIAL)

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

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

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

EXHIBIT A
2021 BASE RENTAL PAYMENT SCHEDULE

[(1)] 2021 Base Rental Payments are made fifteen (15) Business Days prior to each Interest Payment Date.

NRF DRAFT
3/18/21

SITE AND FACILITY LEASE

Dated as of April 1, 2021

by and between

CITY OF EL CENTRO

and

EL CENTRO FINANCING AUTHORITY

Relating to the

$__________
El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

TABLE OF CONTENTS

Page

SITE AND FACILITY LEASE

This SITE AND FACILITY LEASE, dated as of April 1, 2021 (this "Site Lease"), is made by and between the CITY OF EL CENTRO, a general law city duly organized and existing under the laws of the State of California (the "City"), as lessor, and the EL CENTRO FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing under the laws of the State of California (the "Authority"), as lessee.

RECITALS:

WHEREAS, the City is leasing the property more particularly described in Exhibit A attached hereto (the "Leased Property") to the Authority; and

WHEREAS, the Authority has determined to issue its $_______ Lease Revenue Bonds, 2021 Series A (the "2021A Bonds") pursuant to an Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Authority, concurrently with the execution of this Site Lease, will lease the Leased Property to the City pursuant to a Lease Agreement, dated as of April 1, 2021 (the "Lease"), by and between the City and the Authority, in consideration for base rental payments equal to the principal and interest coming due on the 2021A Bonds; and

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

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

SECTION 1. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture or the Lease, as applicable.

SECTION 2. SITE LEASE

The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

SECTION 3. TERM

The term of this Site Lease shall commence on April 1, 2021. This Site Lease shall constitute a lease of the City's interest in the Leased Property.

The term of this Site Lease shall expire on the earliest of (i) the Expiration Date; (ii) the date the last base rental payment is made under the provisions of the Lease; or (iii) the date of discharge of the Indenture pursuant to Section 10.03 thereof. Notwithstanding the foregoing, the term of this Lease shall automatically be extended for a period of ten (10) years, if, on the Expiration Date, the Indenture has not been fully discharged, and shall terminate on the date when the Indenture has been fully discharged.

SECTION 4. RENTAL

The Authority agrees to pay to the Trustee, on the Closing Date, the proceeds of the 2021A Bonds, as advance rental for the use and right to possession of the Leased Property for the term of this Site Lease. The rental shall be applied by the Trustee as provided in the Indenture.

SECTION 5. TITLE

Throughout the term of this Site Lease, title to the Leased Property shall remain in the City.

SECTION 6. DEFAULT

(a) If the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or (b) if (1) the Authority's interest in this Site Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in Section 11 hereof, or (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within sixty (60) days, or if the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or if the Authority shall make a general assignment or any assignment for the benefit of the Authority's creditors, then the Authority shall be deemed to be in default hereunder and it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law; provided however, that: (i) no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; and (ii) so long as any 2021A Bonds remain outstanding the City shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would prejudice the exercise of the remedies provided in Section 10 (captioned "DEFAULT") of the Lease.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligations within sixty (60) days after notice by the Authority or the City to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

SECTION 7. EMINENT DOMAIN

If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and is hereby determined to be the amount of the unpaid principal components of base rental payments due under the Lease, and all accrued interest thereon, and the amount of the unpaid Additional Rental Payments due under the Lease, and the balance of the award, if any, shall be paid to the City.

SECTION 8. RIGHT OF ENTRY

The City and its assignees shall have the right to enter the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Site Lease and (c) for all other lawful purposes.

SECTION 9. TERMINATION

The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority and the City agree that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall be vested in the City.

SECTION 10. QUIET ENJOYMENT BY THE AUTHORITY

The Authority shall at all times during the term of this Site Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the City, subject to the Authority's compliance with the terms and provisions hereof and of the Lease.

SECTION 11. ASSIGNMENTS AND SUBLEASES

The Authority shall not assign, mortgage, hypothecate or otherwise encumber this Site Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Leased Property without the written consent of the City, except as provided by the Lease and as security for the 2021A Bonds.

SECTION 12. WAIVER OF PERSONAL LIABILITY

All liabilities hereunder on the part of the Authority shall be solely liabilities of the Authority as a separate legal entity, and no member, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

SECTION 13. TAXES

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

SECTION 14. GOVERNING LAW

This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 15. NOTICES

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage pre-paid, and,

if to the City:

City of El Centro
1275 West Main Street
El Centro, California 92243
Attention: City Manager

if to the Authority:

El Centro Financing Authority
c/of City of El Centro
1275 West Main Street
El Centro, California 92243
Attention: Executive Director

or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. VALIDITY AND SEVERABILITY

If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Site Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the City or by the Authority, or if for any reason it is held by such a court that any of the covenants and conditions of the Authority hereunder is unenforceable for the full term hereof, then and in such event this Site Lease is and shall be deemed to be a lease from year to year and all of the rental and other terms, provisions and conditions of this Site Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 17. PURPOSE OF THE LEASED PROPERTY

The Authority covenants that during the term of this Site Lease, it shall use the Leased Property for the purposes described in the Lease and for such other purposes as may be incidental thereto.

SECTION 18. WAIVER OF DEFAULT

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Site Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Site Lease.

SECTION 19. SECTION HEADINGS

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 20. AMENDMENTS

This Site Lease may be amended in writing as may be mutually agreed by the Authority and the City.

SECTION 21. EXECUTION

This Site Lease may be executed in any number of counterparts, each of which shall be deemed to an original, but all together shall constitute but one and the same Site Lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the City and the Authority, all with the same force and effect as though the same counterpart had been executed by both the City and the Authority.

[Remainder of page intentionally left blank.]

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

EL CENTRO FINANCING AUTHORITY

By ___________________________________
Executive Director

ATTEST:

By ___________________________________
Secretary

CITY OF EL CENTRO

By ___________________________________
City Manager

ATTEST:

By ___________________________________
City Clerk

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF IMPERIAL)

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

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

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) ss:
COUNTY OF IMPERIAL)

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

NRF DRAFT
3/18/21

ASSIGNMENT AGREEMENT

Dated as of April 1, 2021

by and between

EL CENTRO FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to the

$__________
El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

TABLE OF CONTENTS

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of April 1, 2021 (this "Assignment Agreement"), by and between the EL CENTRO FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and authorized to accept assignments of the nature herein set forth, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Authority has entered into a Site and Facility Lease, dated as of April 1, 2021 (the "Site Lease"), with the City of El Centro (the "City"), whereby the Authority has agreed to lease certain real property located within the City, as described in Exhibit A attached hereto (the "Leased Property"), from the City; and

WHEREAS, the Authority has entered into a Lease Agreement, dated as of April 1, 2021 (the "Lease"), with the City, whereby the Authority has agreed to lease the Leased Property to the City; and

WHEREAS, under and pursuant to the Lease, the City is obligated to make base rental payments, including the 2021 Base Rental Payments as defined therein, to the Authority for the lease of the Leased Property; and

WHEREAS, the 2021 Base Rental Payments have been pledged by the Authority as security for the payment of principal of and interest on its $_________ Lease Revenue Bonds, 2021 Series A authorized and issued pursuant to an Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and the Trustee; and

WHEREAS, the Authority desires to assign to the Trustee without recourse certain of its rights under the Lease and the Site Lease, including all of its rights to receive the 2021 Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease;

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

Section 1. Definitions. All capitalized terms used herein without definition shall have the meanings given to such terms in the Indenture or the Lease, as appropriate.

Section 2. Assignment. The Authority does hereby assign and transfer to the Trustee all of the Authority's rights, title and interest in and to (but none of its obligations under) the Lease and the Site Lease (excepting only (i) the Authority's rights to give approvals and consents thereunder, including, without limitation, to amendments, and the Authority's rights to the payment of Additional Rental Payments pursuant to Section 3(b) of the Lease and to indemnification pursuant to Section 14 of the Lease, and (ii) the Authority's rights to receive lease payments other than the 2021 Base Rental Payments), including the Authority's rights to receive 2021 Base Rental Payments, as well as its rights to enforce payment of such 2021 Base Rental Payments when due or otherwise to protect its interests in the event of a default by the City under the Lease, in accordance with the terms thereof, in trust nonetheless and provided that should the Authority well and truly perform all of its obligations under the Indenture, this Assignment Agreement shall terminate and all interest in the Lease and the Site and Facilities Lease shall revert to the Authority. The 2021 Base Rental Payments shall be applied, and the rights of the Authority assigned hereunder shall be exercised by the Trustee, as provided in the Indenture.

Section 3. **Acceptance of Assignment**. The Trustee hereby accepts the assignment and transfer of such of the Authority's rights, title and interest in and to the Lease and the Site Lease as are assigned and transferred pursuant to the terms of this Assignment Agreement.

Section 4. **No Additional Rights or Duties**. Excepting only the assignment and transfer of rights to the Trustee pursuant to Section 2 hereof, this Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Trustee beyond those expressly provided in the Lease, the Site Lease and the Indenture. The Trustee does not warrant the accuracy of any of the recitals hereto. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Authority or the City beyond those expressly provided in the Lease, the Site Lease and the Indenture or as otherwise set forth herein.

Section 5. **Further Assurances**. The Trustee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee the rights and obligations intended to be conveyed pursuant hereto.

Section 6. **Counterparts**. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 7. **Governing Law**. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8. **Notices**. All notices under this Assignment Agreement shall be in accordance with Section 10.13 of the Indenture.

Section 9. **Binding Effect; Successors**. This Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Assignment Agreement any party is named or referred to, such reference shall be deemed to include such party's successors and assigns and all covenants and agreements contained in this Assignment Agreement by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement as of the date first above written.

EL CENTRO FINANCING AUTHORITY

By ____________________________________
Executive Director

ATTEST:

____
Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By ____________________________________
Authorized Officer

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF IMPERIAL)

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF IMPERIAL)

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

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

WITNESS my hand and official seal.

_________________________________ [Seal]

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

$________
EL CENTRO FINANCING AUTHORITY
LEASE REVENUE BONDS, 2021 SERIES A
(LIBRARY PROJECT)

BOND PURCHASE AGREEMENT

________, 2021

El Centro Financing Authority
125 Main Street
El Centro, California 92243

City of El Centro
125 Main Street
El Centro, California 92243

Ladies and Gentlemen:

Samuel A. Ramirez & Co., Inc. (the "**Underwriter**"), hereby offers to enter into this Bond Purchase Agreement with you, the City of El Centro (the "**City**") and the El Centro Financing Authority (the "**Authority**"), for the purchase by the Underwriter and the delivery by you of the Authority's Lease Revenue Bonds, 2021 Series A (Library Project) (the "**Bonds**"). The Bonds are being issued to (i) finance the acquisition, construction and improvement of a new library facility in the City, (ii) [fund a reserve for the Bonds,] (iii) [fund all or a portion of capitalized interest through ______ 1, 20__], and (iv) pay the related costs of issuing the Bonds. This offer is made subject to acceptance by you prior to 11:59 p.m., Los Angeles time, on the date hereof. Upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter agrees to purchase from the Authority all (but not less than all) of the $_______ aggregate principal amount of the Bonds.

The purchase price for the Bonds shall be $______ (being the principal amount of the Bonds, plus original issue premium in the amount of $______ and less an Underwriter's discount in the amount of $______).

The Bonds will be dated the date of delivery thereof and will have the maturities and bear interest at the rates set forth on Exhibit A hereto. The Bonds will be subject to redemption as set forth in the Indenture and Official Statement herein described. The Bonds will be issued in book-entry form only. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

2. **Authorizing Instruments and Law.** The Bonds shall be issued pursuant to the provisions of a resolution (the "**Resolution**") adopted by the Authority on ______, 2021 authorizing the issuance of the Bonds and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584, *et seq.* of the California Government Code (the "**JPA Act**"). The Bonds are issued pursuant to an Indenture, dated as of April 1, 2021 (the "**Indenture**"), between the Authority and U.S. Bank National Association, as trustee (the "**Trustee**"), and shall be as described in the Indenture.

The Bonds are limited obligations of the Authority payable primarily from and secured by certain base rental payments (the "**Base Rental Payments**") to be paid by the City pursuant to a Lease Agreement, dated as of April 1, 2021, between the City and the Authority (the "**Lease**"), for certain real property and the improvements thereon (the "**Leased Property**").

3. **Offering the Bonds.** The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the cover pages of the Official Statement of the Authority pertaining to the Bonds, dated ______, 2021 (the Official Statement, together with all appendices thereto, and with such changes therein and supplements thereto as are consented to in writing by the Authority, the City, the Underwriter or its legal counsel in accordance with the provisions of Sections 6(j) and 7(j) hereof or otherwise consented to by the Underwriter pursuant to Section 10(b)(v), are herein called the "**Official Statement**"). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. "Public Offering" shall include an offering to a number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

The City and the Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City, the Authority and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the City and the Authority, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and the Authority or any other person or entity and have not assumed a fiduciary responsibility in favor of the City or the Authority 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 or the Authority on other matters), (iii) the only contractual obligations the Underwriter has to the City and the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the "**MSRB**") and (iv) the City and the Authority have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The City and the Authority acknowledge that they have previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

4. **Delivery of Official Statement.** If requested by the Underwriter, the Authority shall deliver to the Underwriter two (2) copies of the Official Statement manually executed on behalf of the Authority and the City. The Authority shall also deliver copies of the Official Statement in such quantities as the Underwriter may reasonably request in order to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter within seven (7) business days after the execution of this Bond Purchase Agreement and in sufficient time to accompany or precede any sales confirmation that requests payment from any customer of the Underwriter. The Authority and the Underwriter hereby agree that the end of the underwriting period shall be the date of Closing (as defined below) unless the Underwriter informs the Authority in writing of a different end of the underwriting period.

"End Date" as used herein is that date which is the earlier of:

(a) twenty-five (25) days after the end of the underwriting period, as defined in SEC Rule 15c2-12 originally adopted by the Securities and Exchange Commission on June 28, 1989, as amended ("**Rule 15c2-12**"); or

(b) the time when the Official Statement becomes available from the MSRB, but in no event less than twenty-five (25) days after the underwriting period (as defined in Rule 15c2-12) ends.

The Underwriter acknowledges that the "End Date" will be the date of Closing unless the Underwriter otherwise notifies the Authority and the City in writing that the Underwriter still owns some or all of the Bonds.

The Authority and the City have authorized the use of the Official Statement in connection with the public offering of the Bonds. The Authority and the City also have consented to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement dated ______, 2021, relating to the Bonds in connection with the public offering of the Bonds, (which, together with all appendices thereto, is herein called the "**Preliminary Official Statement**"). Authorized officers of the City and the Authority have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12. The Underwriter has distributed a copy of each Preliminary Official Statement to potential customers on request.

5. The Closing. At 9:00 A.M., California time, on _______, 2021, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority, upon receipt of the purchase price thereof, will deliver (i) the Bonds in book-entry form through the facilities of The Depository Trust Company ("**DTC**"), and (ii) the closing documents hereinafter mentioned at the offices of Norton Rose Fulbright US LLP, Los Angeles, California ("**Bond Counsel**"), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery from the Authority. The Underwriter will pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer of immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "**Closing**."

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a charter city organized and operating pursuant to the laws of the State of California (the "**State**") with power and authority to enter into and perform its duties under the Lease, the Continuing Disclosure Agreement, dated the date of Closing (the "**Continuing Disclosure Agreement**"), the Site Lease, dated as of April 1, 2021 (the "**Site Lease**"), between the City and the Authority, the Official Statement and this Bond Purchase Agreement (collectively, the "**City Documents**").

(b) To the best knowledge of the City, neither the approval, execution and delivery of the City Documents, and compliance with the provisions on the City's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles if sought, by the exercise of judicial discretion, and by the limitations on legal remedies imposed on actions against cities in the State.

(d) Except as may be required under blue sky or other securities laws of any state, there is no material consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(e) To the best of the knowledge of the City, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending (notice of which has been received by the City) or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Lease, or in any way contesting or affecting the validity of the City Documents or the Bonds or the authority of the City to approve this Bond Purchase Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Bond Purchase Agreement or to restrain or enjoin the execution, sale and delivery of the Bonds, contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents to be executed by it or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of all the circumstances under which they were made, not misleading, or, except as described in the Preliminary Official Statement and the Official Statement, nor is there any basis for any such action, suit, proceeding or investigation.

(f) The Preliminary Official Statement provided to the Underwriter has been deemed final by the City, as required by Rule 15c2-12. As of the date thereof and at all times subsequent thereto up to and including the Closing, the information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement was and will be materially complete for its intended purposes. The information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement as of the date hereof is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified. The Underwriter shall be responsible for all costs relating to such qualification of the Bonds under blue sky or similar laws.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(i) To the best knowledge of the City, it is not in any material respect in breach of or default under any material applicable law or administrative regulation of the State or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could materially and adversely affect the performance of the City under the City Documents.

(j) If between the date of this Bond Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the City's finances, the Leased Property, or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the City will notify the Underwriter, and if, in the opinion of the Underwriter, the City or their respective legal counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the City.

(k) If the information relating to the Leased Property, the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect.

(l) The City covenants that it will comply with all tax covenants relating to it in the City Documents and the Tax Certificate.

(m) Any certificate signed by a duly authorized official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(n) As of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is payable from the City's general fund except as disclosed in the Official Statement.

(o) Between the date of this Bond Purchase Agreement and the date of Closing, the City will not, except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money, or, other than in the normal course of its operations, incur any material liabilities, direct or contingent, secured by or payable from the City's general fund.

(p) The City will undertake, pursuant to the Continuing Disclosure Agreement, to provide or cause to be provided annual financial reports and notices of certain events; a description of this undertaking is set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and Official Statement, the City and its related entities have not failed to comply in any material respect with a continuing disclosure undertaking under Rule 15c2-12 during the previous five years.

(q) The financial statements of, and other financial information regarding the City in the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles applicable to cities.

7. Authority Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the City and the Underwriter that:

(a) The Authority is a joint powers authority, duly organized and existing under the Constitution (the "**Constitution**") and laws of the State, including the JPA Act, with full right, power and authority to enter into, execute and deliver the Authority Documents (defined below) and to perform its obligations hereunder.

(b) By all necessary official action, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Bond Purchase Agreement, the Bonds, the Indenture, the Lease, the Site

Lease, and the Assignment Agreement, dated as of April 1, 2021 (the "**Assignment Agreement**"), between the Authority and the Trustee (collectively, the "**Authority Documents**"), and has approved the use by the Underwriter of the Preliminary Official Statement, and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties hereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California. The Authority has complied and will at the Closing, be in compliance in all respects, with the terms of the Authority Documents.

(c) The Bonds, when issued in accordance with the Indenture, will be valid and binding limited obligations of the Authority, entitled to the benefits of the Indenture and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California.

(d) As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, to the best knowledge of the Authority, the Authority is not and will not be in any material respect in breach of or in default under any law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions thereof do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery 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 its assets or properties under the terms of any such law, regulation or instrument except as provided in the Authority Documents.

(e) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (notice of which has been received by the Authority), or to the best knowledge of the Authority threatened against the Authority in any material respect:

(i) affecting the existence of the Authority or the titles of the officers of the Authority to their respective offices;

(ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby, or contesting the exclusion of the interest on the Bonds from Federal or State taxation, as applicable, or contesting the powers of the Authority or its authority to enter into the Lease and to pledge the Base Rental Payments for repayment of the Bonds;

(iii) which may result in any material adverse change relating to the financial condition of the Authority;

(iv) contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of all the circumstances under which they were made, not misleading; or

(v) challenging the ability of the Authority to sell the Bonds to the Underwriter.

(f) The Authority 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 to qualify the Bonds for offer and sale under the blue sky laws or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; *provided however*, that in no event shall the Authority be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(g) Any certificate signed by a duly authorized officer of the Authority and delivered to the Underwriter shall be deemed to be a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) As of the time of acceptance hereof and as of the date of Closing, except as otherwise disclosed in the Official Statement, the Authority has complied with the filing requirements of the JPA Act.

(i) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement from the delivery of the Official Statement to the End Date and will not effect or consent to any such amendment or supplement without prior consultation with the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(j) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds paid for from such proceeds) will be used as set forth in the Indenture and as described in the Official Statement, and the Authority will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the

Bonds to be applied in a manner contrary to that provided in the Indenture and the Lease, as amended from time to time.

(k) For a period beginning on the date hereof and continuing until the End Date, (a) the Authority will not adopt any amendment of, or supplement to, the Official Statement without prior consultation with the Underwriter and Kutak Rock LLP, counsel to the Underwriter ("**Underwriter's Counsel**") and (b) if any event relating to or affecting the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter and Underwriter's Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Authority will forthwith cause the City to prepare and furnish to the Underwriter a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriter's Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Bonds, not misleading.

8. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. "public" means any person other than an underwriter or a related party;

b. "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

c. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Authority and the City of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations hereunder are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Authority and the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents and the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the prior written consent of the Underwriter;

(ii) there shall be in full force and effect such resolutions (the "**Authorizing Resolutions**") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the Authority and the City contemplated by the City Documents and the Authority Documents;

(iii) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing;

(iv) the City shall perform or have performed its obligations required as specified in the City Documents to be performed at or prior to Closing; and

(v) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraph 6(j) or 7(i), or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under the Authority Documents or the City Documents and neither the Authority nor the City shall be in default in the payment of principal or interest on any of its bonded indebtedness or other obligations payable from the City's general fund which default shall adversely impact the ability of the Authority to make payments on the Bonds or the City to make payments pursuant to the Lease.

(d) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by written notification to the Authority and the City if at any time at or prior to the Closing the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the City and the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Authority Documents or the City Documents in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other Federal or State authority materially adversely affecting the Federal or State tax status of the Authority or the City, or the interest on bonds or notes or obligations of the general character of the Bonds; or

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

(iii) legislation shall be enacted by 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 any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory 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 the Underwriter; or

(v) a general banking moratorium shall have been established by federal or State authorities; or

(vi) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(vii) the commencement of any action, suit or proceeding described in Paragraphs 6(e) or 7(e) hereof; or

(viii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(ix) any event occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(x) any rating of the Bonds or other obligations of the City shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(xi) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(xii) any fact or event shall exist or have existed that requires or has required an amendment of or supplement to the Official Statement in which the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter; or

(xiii) there shall have occurred any materially adverse change in the affairs or financial condition of the Authority or the City; or

(xiv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(xv) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(xvi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

(1) Bond Opinion. The approving opinions of Bond Counsel dated the date of Closing and substantially in the forms included as APPENDIX E to the Official Statement and a reliance letter(s) thereon dated the date of Closing addressed to the Underwriter and the Trustee.

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the date of Closing, addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OFTHE 2021A BONDS," "LEASED PROPERTY," "SECURITY AND SOURCES OF PAYMENT FOR THE 2021A BONDS," and "TAX MATTERS," and in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and "APPENDIX E – FORM OF OPINION OF BOND COUNSEL," excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Lease, the Site Lease, the Indenture, and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing; provided, that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to DTC or the book-entry system in which the Bonds are initially delivered;

(B) The Lease, the Site Lease, the Assignment Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement have been duly authorized, executed and delivered by the City and the Authority, as applicable, and are valid, legal and binding agreements of the City and the Authority enforceable in accordance with their terms, except that the rights and obligations under the Lease, the Site Lease, the Assignment Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(3) Negative Assurance Letter of Disclosure Counsel. A letter of Norton Rose Fulbright US LLP, Disclosure Counsel to the Authority and the City, dated the date of Closing and addressed to the Authority, the City, and the Underwriter to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the Authority and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of the date of this Purchase Agreement or the Official Statement as of its date or as of the date of the Closing (except that no opinion need be expressed as

to any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessed values, market absorption, real estate, ownership, environmental or archaeological matters, Appendices B, C, E, or F thereto, or any information about book-entry, The Depository Trust Company, debt service requirements or tax exemption included or referred to therein, which may be expressly excluded from the scope of the opinions), contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) Municipal Advisor Certificate. A certificate of NHA Advisors, LLC ("**NHA Advisors**"), dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that (i) NHA Advisors has reviewed the Preliminary Official Statement and the Official Statement and (ii) no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date, is not true or correct in all material respects, or that the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading.

(5) Opinion of City Attorney. An opinion of the City Attorney, dated the date of the Closing and addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(A) the City is a charter city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the City Documents have been duly authorized, executed and delivered by the City, and (assuming due execution and delivery by parties other than the City) are valid, legal and binding agreements of the City enforceable in accordance with their terms, except that the rights and obligations under the City Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) the authorization, execution and delivery of the Bonds, the Official Statement, and the City Documents by the City and compliance with the provisions thereof by the City of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the City is subject or by which it is bound; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to such counsel's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents.

(6) Authority Counsel Opinion. An opinion of counsel to the Authority, dated the date of the Closing and addressed to the City, the Trustee and the Underwriter, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the Authority Documents have been duly authorized, executed and delivered by the Authority, and (assuming due execution and delivery by parties other than the Authority) are valid, legal and binding agreements of the Authority enforceable in accordance with their terms, except that the rights and obligations under the Authority Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority; and

(E) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(7) Underwriter's Counsel Opinion. An opinion of Underwriter's Counsel, dated the date of the Closing addressed to the Underwriter, in such form as may be acceptable to the Underwriter.

(8) City Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that: (a) the representations, warranties and covenants of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the City has complied with all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; (c) to the best of such official's knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(9) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Chair or other duly authorized officer of the Authority to the effect that (a) the representations, warranties and covenants of the Authority contained herein and in the Authority Documents are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority Documents and (c) to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) Trustee's Certificate. A certificate of the Trustee, dated the Closing Date, in form and substance acceptable to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(11) Trustee Incumbency Certificate. A certified copy of a certificate of an officer of the Trustee certifying as to the incumbency, signature and signing authority of the officers who have executed and delivered the Indenture and agreed to accept the duties of Trustee under the Indenture.

(12) Trustee Counsel's Opinion. An opinion, dated the date of the Closing addressed to the Authority, the City and the Underwriter, of the Trustee's Counsel, in form and content satisfactory to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(13) Title Policy. A copy of a CLTA or ALTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Leased Property, subject only to Permitted Encumbrances (as defined in the Lease) or such other acceptable encumbrances.

(14) Transcripts. Two CD transcripts of the proceedings prepared by Bond Counsel relating to the authorization and issuance of the Bonds will be delivered in due course after the Closing.

(15) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by a duly authorized officer of each.

(16) Documents. An original executed or certified copy of each of the Authority Documents, the City Documents and the Joint Exercise of Powers Agreement (the "**JPA Agreement**"), dated as of July 1, 1996, between the City and the former Redevelopment Agency of the City of El Centro and any amendments thereto.

(17) City Resolution. Certified copy by the City Clerk, of each resolution of the City relating to the City Documents, the actions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(18) Authority Resolution. Certified copy by the Secretary or Assistant Secretary of the Authority, of each resolution of the Authority relating to the Authority Documents, the Bonds and the transactions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(19) IRS Form 8038-G. Evidence that the federal tax information form 8038 G has been prepared for filing.

(20) Tax Certificate. A Tax Certificate in a form satisfactory to Bond Counsel.

(21) Rating. Evidence as of the Closing satisfactory to the Underwriter that the Bonds have received the rating set forth in the Official Statement and that such rating has not been reduced or withdrawn.

(22) CDIAC Statement. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to section 53583 of the Government Code and section 8855(g) of the Government Code.

(23) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably deem necessary.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be terminated by the Underwriter, and none of the Underwriter, the Authority or the City shall be under further obligation hereunder.

10. Expenses. Except as otherwise provided in this Section, the Underwriter shall be under no obligation to pay, and the Authority or the City shall pay or cause to be paid, the expenses incident to the performance of the obligations of the Authority and the City hereunder including but not limited to:

(a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds;

(b) the fees and disbursements of any counsel, municipal advisors, accountants, or other experts or consultants retained by the Authority or the City;

(c) the fees and disbursements of Bond Counsel and Disclosure Counsel;

(d) the cost of preparation and printing the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including a reasonable number of copies thereof for distribution by the Underwriter; and

(e) charges of rating agencies for the rating of the Bonds.

The Underwriter shall pay all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including other expenses, fees of the California Debt and Investment Advisory Commission, CUSIP Service Bureau fees, and any other fees and expenses), except as otherwise provided in the preceding paragraph or otherwise agreed to by the Underwriter, the Authority and the City in writing. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

11. Notice. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Samuel A. Ramirez & Co., Inc., 445 South Figueroa Street, Suite 2310, Los Angeles, California 90071, Attention: Public Finance. Any notice or other communication to be given to the Authority or the City pursuant to this Bond Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof.

12. Entire Agreement. This Bond Purchase Agreement, when accepted by the Authority and the City, shall constitute the entire agreement among the Authority, the City and the Underwriter and is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of any Underwriter). Except as provided in Section 16 below, no other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the Authority's and the City's representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement.

13. Definitions. Terms not otherwise defined herein shall have the same meaning as when used in the Indenture or the Lease.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. State of California Law Governs. The validity, interpretation and performance of the Authority Documents shall be governed by the laws of the State.

16. No Assignment. The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

17. Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SAMUEL A. RAMIREZ & CO., INC.

By: ______________________________________
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

EL CENTRO FINANCING AUTHORITY

By:______________________________

Title:____________________________

Time of Execution: ____________ p.m. California time

CITY OF EL CENTRO

By:______________________________

Title:____________________________

Time of Execution: ____________ p.m. California time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]

EXHIBIT A

MATURITY SCHEDULE

$________
EL CENTRO FINANCING AUTHORITY
LEASE REVENUE BONDS, 2021 SERIES A
(LIBRARY PROJECT)

MATURITY SCHEDULE

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering-Price Rule *(marked if used)*
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
20__ (T)							

(T) Term Bond.
(C) Priced to optional call at [par] on October 1, 20__.
* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

EXHIBIT B

$________
EL CENTRO FINANCING AUTHORITY
LEASE REVENUE BONDS, 2021 SERIES A
(LIBRARY PROJECT)

FORM OF ISSUE PRICE CERTIFICATE

[TO COME FROM BOND COUNSEL]

NRF DRAFT
3/18/21

INDENTURE

by and between

EL CENTRO FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of April 1, 2021

Relating to

$_________
El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

INDENTURE

This INDENTURE is dated as of April 1, 2021, by and between the EL CENTRO FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America with a corporate trust office in Los Angeles, California and qualified to accept and administer the trusts hereby created, as trustee (the "Trustee").

RECITALS:

WHEREAS, the City of El Centro, California (the "City") and the Successor Agency to the El Centro Community Redevelopment Agency, successor agency to the City's former Community Redevelopment Agency, have previously entered into a Joint Exercise of Powers Agreement, dated as of July 1, 1996, establishing the El Centro Financing Authority (the "Authority") for the purpose of, among other things, issuing its bonds to be used to provide financing of obligations of the City; and

WHEREAS, the Authority has determined to issue its Lease Revenue Bonds, 2021 Series A (Library Project), in the aggregate principal amount of $___________ (the "2021A Bonds") to provide funds to (i) finance the acquisition, construction and improvement of a new library facility in the City, as described herein, (ii) [fund a reserve for the 2021A Bonds,] (iii) [fund [all or a portion] of capitalized interest through ______ 1, 20__,] and (iv) pay the related costs of issuing the 2021A Bonds; and

WHEREAS, the City and the Authority have entered into a Site and Facility Lease, dated as of April 1, 2021 (the "Site Lease"), whereby the Authority has agreed to lease the Leased Property (as defined herein) from the City; and

WHEREAS, the Authority and the City have entered into a Lease Agreement, dated as of April 1, 2021 (the "Lease"), whereby the Authority has agreed to lease the Leased Property to the City; and

WHEREAS, under and pursuant to the Lease, the City is obligated to make 2021 Base Rental Payments (as defined herein) to the Authority for the sublease of the Leased Property; and

WHEREAS, as security for its obligations hereunder, the Authority has assigned without recourse all its rights to receive the 2021 Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease and certain other rights to the Trustee pursuant to this Indenture; and

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

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

"Act" means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

"Additional Rental Payments" means the additional rental payable by the City under and pursuant to Section 3(b) of the Lease.

"Assignment Agreement" means the Assignment Agreement, dated as of April 1, 2021, by and between the Authority and the Trustee.

"Authority" means the El Centro Financing Authority, a joint powers authority duly organized and existing under the Joint Exercise of Powers Agreement and the laws of the State.

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

"Bond Counsel" means (a) Norton Rose Fulbright US LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized experience.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act, as in existence on the Closing Date or as thereafter amended from time to time.

"Bond Year" means each twelve-month period extending from October 1 in one calendar year to September 30 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and shall end on September 30, 2021.

"Bonds" means the Authority's Lease Revenue Bonds, 2021 Series A (Library Project).

"Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which the commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

"Certificate of the Authority" means a certificate in writing signed by the Chairman of the Authority or by any other officer of the Authority duly authorized by the Chairman or any other officer of the Authority duly authorized for that purpose, as evidenced in writing to the Trustee.

"Certificate of the City" means a certificate in writing signed by the City Manager of the City or by any other officer of the City duly authorized for that purpose, as evidenced in writing to the Trustee.

"City" means the City of El Centro, California.

"Closing Date" means April __, 2021, being the date of delivery of the Bonds to the Original Purchaser thereof.

"Code" means the Internal Revenue Code of 1986.

"Costs of Issuance" means all items of expense directly or indirectly relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, fees, expenses and charges of the City, the Authority, the Trustee, and their respective counsel (including the fees of Bond Counsel and Disclosure Counsel), including the Trustee's first annual administrative fee, costs of obtaining bond insurance, a Qualified Reserve Fund Credit Instrument or Permitted Investment for monies held in the funds and accounts created and held hereunder, fees, charges and disbursements of bond counsel, disclosure counsel and other attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the execution and delivery of the Lease.

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

“Depository” means DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the Authority discontinues use of the Depository pursuant to Section 2.13 hereof, any other securities depository which agrees to follow the procedures requested to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

“Depository Participant” means a member of, or participant in, the Depository.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events described in Section 8.01.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to April 1 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture, dated as of April 1, 2021, as originally executed or as it may from time to time be amended or supplemented in accordance herewith.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom:

(a) is in fact independent and not under domination of the Authority or the City;

(b) does not have any substantial interest, direct or indirect, in the Authority or the City; and

(c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at *http://emma.msrb.org*; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called Bonds as the Authority may designate in writing to the Trustee.

“Interest Payment Date” means April 1 and October 1 of each year, commencing October 1, 2021.

“Lease” means that certain Lease Agreement, dated as of April 1, 2021, by and between the Authority as lessor and the City as lessee, as it may be further amended or modified.

“Lease Revenue Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

“Leased Property” means, collectively, those certain parcels of real property, together with the improvements thereon, leased by the Authority to the City pursuant to the Lease, as more fully described in Exhibit A to the Lease, as such Exhibit A may be revised and amended from time to time pursuant to the terms hereof and of the Lease.

“Maximum Annual Debt Service” in respect of any Bond Year means the largest of the sums obtained for that or any succeeding Bond Year after totaling the following for each such Bond Year:

(a) The principal amount of all Outstanding Bonds maturing or required to be redeemed by mandatory sinking account redemption in such Bond Year; and

(b) The interest that would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature or be redeemed in accordance with the applicable maturity or mandatory sinking account redemption schedule. At the time and for the purpose of making such computation, the amount of Bonds already retired in advance of the above mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

“Moody’s” means Moody’s Investors Service, and its successors and assigns.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant hereto.

“Original Purchaser” means, with respect to the 2021A Bonds, Samuel A. Ramirez & Co., Inc.

“Outstanding,” when used as of any particular time with reference to Bonds means (subject to the provisions of Section 10.07) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except:

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

(b) Bonds paid or deemed to have been paid within the meaning of Section 10.03; and

(c) Bonds in lieu of which or in substitution for which other Bonds shall have been executed, issued and delivered pursuant to this Indenture or any Supplemental Indenture.

“Owner” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely on a Request of the Authority directing investment in such Permitted Investment as a certification by the Authority to the Trustee that such Permitted Investment is a legal investment under the laws of the State), but only to the extent that the same are acquired at fair market value:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause such as Stripped Treasury Coupons rated or assessed in the highest rating category by S&P and Moody's and held by a custodian for safekeeping on behalf of holders of such securities.

(b) Bonds or notes which are exempt from federal income taxes and for the payment of which cash or obligations described in clause (a) of this definition in an amount sufficient to pay the principal of, premium, if any, and interest on when due have been irrevocably deposited with a trustee or other fiscal depositary and which are rated the same rating as direct obligations of the United States of America by S&P and Moody's.

(c) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided that with respect to the funds and accounts established under this Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(d) Deposit accounts, including time deposits, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Authority) or savings accounts (i) fully insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short term obligations are rated no lower than A-1 by S&P and P-1 by Moody's including those of the Trustee and its affiliates.

(e) Federal funds or banker's acceptances with a maximum term of one year of any bank that (i) has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" by Moody's and "A-l" or "A" or better by S&P (including the Trustee and its affiliates) or (ii) is insured by the FDIC.

(f) Repurchase or reverse repurchase obligations (including those of the Trustee or any of its affiliates) with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the SIPC or a federally chartered commercial bank whose long-term debt obligations are rated A or better by S&P and Moody's, with respect to any security described in clause (1); provided that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(g) Taxable government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including portfolios of the Trustee and its affiliates.

(h) Tax-exempt government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds.

(i) Money market mutual funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AAAm-G or AAAm and rated in one of the two highest Rating Categories of Moody's, including those managed or advised by the Trustee or its affiliates or for which the Trustee or an affiliate of the Trustee serves as administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(j) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from Moody's and S&P, of A1 and P1, respectively.

(k) The Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(l) Investment agreements, including guaranteed investment contracts ("GICs") forward purchase agreements and reserve fund put agreements with banks or other financial institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated, by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(m) The California Investment Trust managed by The California Investment Trust Retirement Plan Group.

(n) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

"Project" means [the acquisition, construction and improvement of a new library facility in the City.]

"Project Costs" means all costs which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the Project;

(b) obligations incurred for labor and materials in connection with the Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the Project;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the Project; and

(f) all financing costs incurred in connection with the Project, including but not limited to Costs of Issuance and other costs incurred in connection herewith and the financing of the Project.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank, national banking association or insurance company and deposited with the Trustee pursuant to Section 3.04(d) provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company at the time of delivery of such letter of credit or surety bond is rated in one of the two highest rating categories by Moody's or S&P and, if rated by A.M. Best & Company, a minimum rating of "A"; (ii) such letter of credit or surety bond or policy has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2021 Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 3.04(d); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the amounts available to repay the principal of and interest on the Bonds.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.09 for the registration and transfer of ownership of the Bonds.

"Rental Payments" means, collectively, the 2021 Base Rental Payments and any Additional Rental Payments.

"Request of the Authority" means a request in writing signed by the Chairman or Executive Director of the Authority or by any other officer of the Authority duly authorized by the Chairman or by the Authority for that purpose, as evidenced in writing to the Trustee.

"Request of the City" means a request in writing signed by the Mayor or the City Manager or by any other officer of the City duly authorized for that purpose by the Mayor or City Manager or by the City Council, as evidenced in writing to the Trustee.

"Responsible Officer" means any member of the Authority or any other person authorized by resolution of the Authority to act on behalf of the Authority under or with respect to the Lease or this Indenture.

"Revenues" means (i) all Base Rental Payments payable by the City pursuant to the Lease (including prepayments), (ii) any proceeds of Bonds deposited with the Trustee and all moneys on deposit in the funds and accounts established hereunder, (iii) investment income with respect to such moneys held by the Trustee and (iv) any insurance proceeds or condemnation awards received by or payable to the Trustee relating to the Base Rental Payments.

"S&P" means S&P Global Ratings, and its successors and assigns.

"Securities Depositories" means The Depository Trust Company, New York, New York and its successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then Securities Depository pursuant to Section 2.13, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

"Series" whenever used in this Indenture with respect to the Bonds means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as provided herein.

"Site Lease" means that certain Site and Facility Lease, dated as of April 1, 2021, by and between the City and the Authority, pursuant to which the Authority leases the Leased Property from the City.

"State" means the State of California.

"Supplemental Indenture" means any agreement supplemental to or amendatory of this Indenture entered into in accordance with the provisions of Article VII.

"Trust Office" means the corporate trust office of the Trustee in Los Angeles, California or such other offices as may be specified to the Authority by the Trustee in writing or, solely for purposes of the surrender of the Bonds for payment, transfer or exchange, the corporate trust operations or agency office designated by the Trustee.

“Trustee” means U.S. Bank National Association, and its successors and assigns, and any other banking corporation or association that may at any time be substituted in its place as provided in Article VI hereof.

“Written Request of the Authority” means a request in writing signed by a Responsible Officer.

“2021 Base Rental Payments” means all 2021 Base Rental Payments under the Lease.

“2021A Bonds” means the El Centro Financing Authority Lease Revenue Bonds, 2021 Series A.

“2021 Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“2021 Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(a).

“2021 Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.06.

“2021 Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

“2021 Project Fund” means the account by that name established and held by the Trustee pursuant to Section 3.05.

“2021 Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“2021 Reserve Requirement” means, as of each calculation date, an amount equal to the least of (i) Maximum Annual Debt Service on all Outstanding 2021A Bonds, (ii) 10% of the initial principal amount of the 2021A Bonds (or, if the 2021A Bonds are sold with more than 2% net original issue discount or more than 2% net original issue premium, 10% of the issue price of the 2021A Bonds), or (iii) 125% of the average Annual Debt Service as of the date of issuance of the 2021A Bonds.

SECTION 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2021A Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, to happen and to be performed precedent to and in the issuance of the 2021A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under the Joint Exercise of Powers

Agreement and the Bond Law and each and every requirement of law, to issue the 2021A Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the 2021A Bonds pursuant to the Bond Law and this Indenture for the purpose described in the recitals hereof.

SECTION 1.04. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II
ISSUANCE OF 2021A BONDS

SECTION 2.01. Designation. The 2021A Bonds are authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture and shall be designated, respectively, as the "El Centro Financing Authority Lease Revenue Bonds, 2021 Series A (Library Project)." The 2021A Bonds shall be issued in the original aggregate principal amount of $_______________.

SECTION 2.02. Terms of 2021A Bonds. The 2021A Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates, set forth in the following table:

Maturity Date (October 1)	Principal Amount	Interest Rate

The 2021A Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as shall be determined). The 2021A Bonds shall be executed and delivered in their respective Authorized Denominations.

Each 2021A Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if, at the time of authentication of any 2021A Bond interest with respect to such 2021A Bond is in default, such 2021A Bond shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such 2021A Bond.

Interest with respect to any 2021A Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check of the Trustee, mailed by first class mail no later than the Interest Payment Date to the Owner at his address as it appears, on such Record Date, on the Registration Books maintained by the Trustee; *provided, however,* that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding 2021A Bonds filed with the Trustee prior to any Record Date, interest on such 2021A Bonds shall be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing) by wire transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the 2021A Bonds shall be paid by check or draft to the registered Owners of the 2021A Bonds as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the registered Owners of the 2021A Bonds not less than ten days prior thereto. The principal of and premium, if any, on the 2021A Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

SECTION 2.03. Redemption of Bonds.

(a) Extraordinary Redemption. The 2021A Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, as a whole or in part on any date, from prepayments of 2021 Base Rental Payments made by the City pursuant to the Lease from funds received by the City due to a taking of the Leased Property or any portion thereof under the power of eminent domain or from insurance proceeds received by the City due to damage to or destruction of the Leased Property or any portion thereof, under the circumstances and upon the conditions and terms prescribed herein and in the Lease.

Redemption of 2021A Bonds pursuant to this subparagraph (a) shall be made at a redemption price equal to the sum of the principal of the 2021A Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(b) 2021A Bonds Optional Redemption from Prepayments of 2021 Base Rental Payments. The 2021A Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to their respective maturity dates as a whole or in part on any date on or after October 1, 20__, in any order deemed reasonable by the Authority, and by lot within a maturity, from prepayments of 2021 Base Rental Payments made at the option of the City pursuant to Section 11(b) of the Lease, at a redemption price equal to the principal amount of the 2021A

Bonds to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

(c) Mandatory Sinking Account Redemption. The 2021A Term Bond maturing on October 1, 20__ is subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing on October 1 in each year thereafter to and including October 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Redemption Date (October 1)	**Principal Amount To be Redeemed**

* Maturity.

The 2021A Term Bond maturing on October 1, 20__ is subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing on October 1 in each year thereafter to and including October 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Redemption Date (October 1)	**Principal Amount To be Redeemed**

* Maturity.

The 2021A Term Bond maturing on October 1, 20__ is subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing on October 1 in each year thereafter to and including October 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Redemption Date (October 1)	**Principal Amount To be Redeemed**

* Maturity.

The 2021A Term Bond maturing on October 1, 20__ is subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing on October 1 in each year thereafter to and including October 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Redemption Date (<u>October 1</u>)	**Principal Amount <u>To be Redeemed</u>**

* Maturity.

(d) If some but not all of a 2021A Term Bond has been redeemed pursuant to extraordinary or optional redemptions, the total amount of sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of such 2021A Term Bond so redeemed by reducing each such future sinking account payment on a *pro rata* basis (as nearly as practicable) in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee. In the event of any reductions in the amount of sinking account payments due as a result of some but not all of the 2021A Bonds being redeemed pursuant to extraordinary or optional redemptions, the Authority shall provide the Trustee with a revised schedule reflecting such reductions.

(e) <u>Notice of Redemption</u>. The Trustee on behalf and at the expense of the Authority shall send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least twenty (20) but not more than sixty (60) days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

Any notice given pursuant to this Section 2.03 may be conditional and/or rescinded by written notice given to the Trustee by the Authority and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given pursuant to this Section.

(f) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption, in such maturities as the Authority shall designate (and by lot within any maturity). For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

(g) Partial Redemption of Bonds. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds, interest rate and maturity date, in aggregate principal amount equal to the unredeemed portion of the Bond being redeemed.

(h) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, premium, if any, and interest on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

SECTION 2.04. Form of 2021A Bonds. The 2021A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairman, and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary duly appointed by the Authority, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed on behalf of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon presentation and surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, interest rate, maturity and aggregate principal amount in Authorized Denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(e).

SECTION 2.07. Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for the same aggregate principal amount of Bonds of the same tenor, interest rate, and maturity and of other Authorized Denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(e).

SECTION 2.08. Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds definitive Bonds of like tenor, maturity and aggregate principal amount in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09. Registration Books. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the Authority with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on said records, Bonds as herein provided.

SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and aggregate principal amount in an Authorized Denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have 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). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses that may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11. Book-Entry System; Limited Obligation. The Bonds shall be initially executed, authenticated and delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.13 hereof, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant or to any person on behalf of which such a Depository Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Depository Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Depository Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice, (c) the selection by the Depository and the Depository Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Depository Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to principal of, interest on, or premium, if any, of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on, the Bond, for the purpose of giving Redemption Notices with respect to the Bonds and other notices with respect to the Bonds, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, and interest on, the Bonds only to or upon the order of the respective Bond Owners, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on, such Bond pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

SECTION 2.12. Representation Letter. To qualify the Bonds for the Depository's book-entry system, the Authority has previously authorized, executed, countersigned and delivered to such Depository a letter from the Authority representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 hereof or in any other way impose upon the Authority or the City any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Trustee in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority Representative and all other officers of the Authority, and their respective deputies and designees, each is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

SECTION 2.13. Transfers Outside Book-Entry System. If at any time the Depository notifies the Authority that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.11 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver Bonds as provided below. In addition, the Authority may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of Section 2.11 hereof shall no longer apply to the Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver Bonds as provided below. Bonds executed, authenticated and delivered in exchange for global bonds pursuant to this Section 2.13 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Depository Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such Bonds to the persons in whose names such Bonds are so registered.

If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Authority, the Trustee and such securities depository and not inconsistent with the terms of this Indenture.

SECTION 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

SECTION 2.15. Initial Depository and Nominee. The initial Depository under this Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III
DEPOSIT AND APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of 2021A Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the 2021A Bonds to the Trustee for authentication and delivery to the original purchaser thereof upon the Request of the Authority.

SECTION 3.02. Application of Proceeds of Sale of 2021A Bonds. Upon the receipt of payment for the 2021A Bonds on the Closing Date, the Trustee shall apply $____________ of the net proceeds of the sale of the 2021A Bonds (representing the principal amount of the 2021A Bonds of $_______________, plus (a net original issue premium of $_______________, less an underwriter's discount of $_____________), as follows:

(1) The Trustee shall deposit in the Project Fund the amount of $_________;

(2) The Trustee shall deposit in the 2021A Bonds Costs of Issuance Fund the amount of $________;

(3) [The Trustee shall deposit in the 2021 Interest Account representing capitalized interest through _________ in the amount of $________________; and]

(4) [The Trustee shall deposit in the 2021 Reserve Fund the amount of $________, representing the 2021 Reserve Requirement as of the Closing Date. Or credit surety]

The Trustee may establish such temporary funds, accounts and subaccounts as may be necessary or desirable to accomplish such deposits and transfer.

SECTION 3.03. 2021 Costs of Issuance Fund. There is hereby established a fund to be held by the Trustee known as the "2021 Costs of Issuance Fund," into which shall be deposited a portion of the proceeds of the sale of the 2021A Bonds pursuant to Section 3.02. The moneys in the 2021 Costs of Issuance Fund shall be used to pay Costs of Issuance related to the 2021A Bonds from time to time and shall be disbursed by the Trustee upon delivery to the Trustee of a requisition, substantially in the form attached hereto as Exhibit B, executed by an officer of the Authority. On the date that is 180 days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority certifying that all Costs of Issuance related to the 2021A Bonds have been paid or provided for, the Trustee shall transfer any remaining amounts in the 2010A Costs of Issuance Fund to the Lease Revenue Fund and the Trustee shall then close the 2021 Costs of Issuance Fund.

SECTION 3.04. 2021 Reserve Fund. (a) There is hereby created a separate fund to be known as the "2021 Reserve Fund," which shall be held in trust by the Trustee. An amount equal to the 2021 Reserve Requirement shall be maintained in the 2021 Reserve Fund at all times, subject to the provisions of Section 4.02(c), and any deficiency therein shall be replenished from the first available Revenues pursuant to Section 4.02(c).

(b) Moneys in the 2021 Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03, if the Revenues are insufficient therefor. If the amount on deposit in the Lease Revenue Fund on any date is insufficient to enable the Trustee to pay in full the aggregate amount of principal of and interest on the Bonds coming due and payable, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03, the Trustee shall withdraw the amount of such insufficiency from the 2021 Reserve Fund and transfer such amount to the Lease Revenue Fund.

(c) If the amount on deposit in the 2021 Reserve Fund exceeds the 2021 Reserve Requirement on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date, the amount of such excess shall be withdrawn therefrom by the Trustee and transferred to the Lease Revenue Fund and credited against the Base Rental Payments next due from the City.

(d) The Authority may fund all or a portion of the 2021 Reserve Requirement with one or more Qualified Reserve Fund Credit Instruments. In any case where the 2021 Reserve

Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to Section 4.02.

If the Qualified Reserve Fund Credit Instrument will lapse or expire, the Trustee shall draw upon such Qualified Reserve Fund Credit Instrument prior to its lapsing or expiring in the full amount of such Qualified Reserve Fund Credit Instrument, make deposits from available Revenues to the Reserve Fund to increase the amount on deposit therein to the Reserve Requirement or substitute such Qualified Reserve Fund Credit Instrument with a Qualified Reserve Fund Credit Instrument that satisfies the requirements of this subsection (d).

SECTION 3.05. 2021 Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "2021 Project Fund." Except as otherwise provided herein, moneys in the 2021 Project Fund shall be used solely for the payment of Project Costs. Except as otherwise provided herein, moneys in the 2021 Project Fund shall be used solely for the payment of Project Costs. Before any payment from either Project Fund shall be made, the City shall file or cause to be filed with the Trustee, a Requisition of the City which shall be substantially in the form attached hereto as Exhibit C. The Trustee shall be entitled to rely on the representations of the City contained in such Requisition and shall not be required to independently verify the contents of such Requisition.

Within three (3) Business Days following receipt of each such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the 2021 Project Fund. Upon the Written Request of the City accompanied by a Written Certificate of the City stating that all Project Costs have been paid or provision made for their payment, any unexpended moneys in such 2021 Project Fund may be used to pay the costs associated with any other improvements of the City; provided, that in the opinion of Bond Counsel such use of the proceeds of the Bonds shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof.

Any unexpended moneys in the 2021 Project Fund subsequent to the payment of all Project Costs which are not used to pay the cost of other improvements of the City shall be transferred to the Lease Revenue Fund upon receipt by the Trustee of a Written Request of the City accompanied by a Written Certificate of the City stating that all Project Costs have been paid or provision made for their payment.

SECTION 3.06. 2021 Insurance and Condemnation Fund. The Trustee shall establish and maintain a separate fund to be known as the "2021 Insurance and Condemnation Fund," into which shall be deposited Net Proceeds (as defined in the Lease) required to be deposited therein pursuant to Section 9 of the Lease. The Trustee shall disburse or transfer all amounts in the 2021 Insurance and Condemnation Fund, as stated in a Request of the City (as described below) for the payment of the cost of the reconstruction of the Leased Property (including reimbursement to the City for any such costs paid by it). Before any payment of money is made from the 2021 Insurance and Condemnation Fund, the Authority shall file or shall cause the City to file with the Trustee a requisition in substantially the form set forth as Exhibit D hereto.

SECTION 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV
REVENUES; FLOW OF FUNDS

SECTION 4.01. Pledge of Revenues; Assignment of Rights. Subject to the provisions of Section 6.03, the Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the Revenues, including all of the moneys in the 2021 Interest Account, the 2021 Principal Account and the 2021 Reserve Fund, including all amounts derived from the investment of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that out of the Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest (but none of the obligations) of the Authority in the Lease with respect to the Revenues, including its rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease and any and all of the other rights of the Authority under the Lease as may be necessary to enforce payment of such Base Rental Payments when due or otherwise to protect the interest of the Owners of the Bonds, including its leasehold title to the Leased Property leased to the City pursuant to the Lease with respect to the Base Rental Payments. The Trustee accepts such assignments. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Each of the Authority and the City covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge set forth in this Section 4.01 under applicable law, and at the expense of the Authority or the City and the Trustee shall cooperate with the Authority and/or the City in taking such action.

SECTION 4.02. Lease Revenue Fund; Receipt, Deposit and Application of Revenues. All Revenues shall be deposited by the Trustee in a special fund designated as the

"Lease Revenue Fund," which the Trustee shall establish, maintain and hold in trust hereunder. In the event the City pays more than 100% of the Base Rental Payments coming due 15 Business Days prior to any Interest Payment Date, the Trustee shall deposit into the Lease Revenue Fund only that portion of the Base Rental Payments which the City is required to make under Section 3(a) of the Lease, and shall remit any excess to the City.

On or before each Interest Payment Date, the Trustee shall transfer from the Lease Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Lease Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) ***2021 Interest Account.*** The Trustee shall establish and maintain a separate account to be known as the "2021 Interest Account." On or before each Interest Payment Date, the Trustee shall deposit in the 2021 Interest Account an amount required to cause the aggregate amount on deposit in the 2021 Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all respective Outstanding 2021A Bonds. No deposit shall be made into the 2021 Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all respective Outstanding 2021A Bonds on each succeeding Interest Payment Date within the then current Bond Year. All moneys in the 2021 Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2021A Bonds as it shall become due and payable (including accrued interest on any 2021A Bonds redeemed prior to maturity).

(b) ***2021 Principal Account.*** The Trustee shall establish and maintain a separate account to be known as the "2021 Principal Account." On or before each Interest Payment Date, the Trustee shall deposit in the 2021 Principal Account an amount required to cause the aggregate amount on deposit in the 2021 Principal Account to equal the principal amount of the 2021A Bonds maturing on such Interest Payment Date pursuant to Section 2.02 or Section 2.03 or pursuant to a Supplemental Indenture, as the case may be. All moneys in the 2021 Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the 2021A Bonds.

(c) ***2021 Reserve Fund.*** If the amount on deposit in the 2021 Reserve Fund at any time falls below the 2021 Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the 2021 Lease Revenue Fund, and (ii) transfer such amount to the 2021 Reserve Fund. No deposit need be made in the 2021 Reserve Fund so long as the balance therein at least equals the 2021 Reserve Requirement.

(d) ***Surplus.*** On or before April 1 and October 1 of each year the Trustee shall determine the Revenues, if any, remaining in the Lease Revenue Fund after making the deposits required by paragraphs (a) through (c) above, and shall apply such amount as a credit against the next following Base Rental Payment.

SECTION 4.03. Reserved.

SECTION 4.04. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments pursuant to the written direction of the Authority given to the Trustee two Business Days in advance of the making of such investments. In the absence of any such direction from the Authority, the Trustee shall invest any such moneys in money market funds described in subsection (g) of the definition of Permitted Investments; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction of the Authority specifying a specific money market fund that satisfies the requirements of said subsection in which such investment is to be made and, if no such written direction is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

The Trustee shall transfer all investment earnings on amounts in the 2021 Principal Account and the 2021 Interest Account to the Lease Revenue Fund. All investment earnings on amounts in the 2021 Insurance and Condemnation Fund shall be retained therein. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee, or any of its affiliates, may act as principal or agent in the acquisition of any investment and may impose its customary charges therefor. The Trustee may act as manager, sponsor, advisor or depository with respect to any Permitted Investment. The Trustee shall incur no liability for the selection (other than as provided herein) of investments or losses arising from any investments made pursuant to this Section. The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of security transactions to be effected by the Trustee hereunder as they occur, at no additional cost. The Authority specifically waives the right to receive such confirmation to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which shall include detail for the investment transactions effected by the Trustee hereunder; provided, however, that the Authority retains its right to receive brokerage confirmation on any investment transaction requested by the Authority.

SECTION 4.05. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account shall be valued at least semiannually on or before each Interest Payment Date at cost (excluding any brokerage commissions and excluding any accrued interest) by the Authority.

ARTICLE V
COVENANTS OF THE AUTHORITY

SECTION 5.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, interest and premium (if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of applicable Revenues and other assets pledged for such payment as provided in this Indenture.

SECTION 5.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended.

SECTION 5.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the applicable Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture and Supplemental Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 5.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Lease and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee (subject to the provisions of Section 6.02 hereof) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of Bonds, the Revenues, the Lease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City during regular business hours with reasonable prior notice.

SECTION 5.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or indebtedness shall be issued or incurred that are payable out of the Revenues in whole or in part.

SECTION 5.07. Lease. The Trustee, as assignee of the Authority's rights under the Lease with respect to the Revenues pursuant to Section 4.01 hereof and the Assignment Agreement(s), shall receive amounts due from the City pursuant to the Lease with respect to the Revenues. The Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Lease required to be complied with, kept, observed and performed by it and, together with the Trustee, will enforce the Lease against the City in accordance with its terms. So long as any Bond remain Outstanding, the Authority will not alter, amend or modify the Lease, except pursuant to Section 21 thereof.

SECTION 5.08. Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI
THE TRUSTEE

SECTION 6.01. Appointment of Trustee. U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee which has (or which is a wholly-owned subsidiary of a corporation which has) a combined capital and surplus of at least $75,000,000, and which is subject to supervision or examination by Federal or State authority, so long as any Bonds are Outstanding. If such bank or trust company or such parent corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank or trust company or such parent corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

SECTION 6.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Authority.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(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 or other paper or document.

(e) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no covenants of or against the Trustee shall be implied in this Indenture. In case an Event of Default hereunder or under the Lease has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture and by the Lease, and shall use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Trustee may execute any of the trusts or powers hereunder and perform the duties required of it hereunder either directly or by or through attorneys, receivers or agents, shall not be liable for the acts or omissions of such attorneys, receivers or agents appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder. The Trustee may conclusively rely on an opinion of counsel as full and complete authorization and protection for any action taken, suffered or omitted by it hereunder.

(g) The Trustee shall not be responsible for any recital herein, in the Lease, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and makes no representation as to the validity or sufficiency of the Bonds, this Indenture or the Lease. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder or on the part of the Authority or the City under the Lease. The Trustee shall not be responsible for the application of the proceeds of the Bonds paid over by it to the Authority in accordance with Section 10.03 hereof.

(h) The Trustee may become the Owner or pledgee of Bonds secured hereby with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(i) The Trustee may rely and shall be protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, requisition, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture or the Lease upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(j) The permissive right of the Trustee to do things enumerated in this Indenture or in the Lease shall not be construed as a duty and it shall not be answerable for other than its negligence or willful default. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(k) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Lease except failure by the Authority or the City to make any of the payments to the Trustee required to be made by the Authority pursuant hereto or thereto or failure by the Authority or the City to file with the Trustee any document required by this Indenture or the Lease to be so filed subsequent to the issuance of the Bonds by a certain date, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(l) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right but shall not be required to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law.

(m) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.

(n) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(o) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(p) Whether or not expressly provided therein, every provision of this Indenture, the Site Lease and the Lease relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Section.

(q) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(r) The Trustee is authorized and directed to enter into the Assignment Agreement in its capacity as Trustee.

(s) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; other than in the event of the Trustee's own negligence or willful misconduct; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Authority or the City; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances.

SECTION 6.03. Fees, Charges and Expenses of Trustee. The Trustee shall be paid and reimbursed by the Authority for reasonable fees for its services rendered hereunder and all advances (with interest on such advances at the maximum rate allowed by law), counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.04. Notice to Bond Owners of Default. If an Event of Default hereunder or under the Lease occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.02(k) hereof, then the Trustee shall, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; *provided, however,* that unless such Event of Default consists of the failure by the

Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

SECTION 6.05. Intervention by Trustee. In any judicial proceeding to which the Authority or the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02(c), shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of such Bonds then Outstanding.

SECTION 6.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds. The Authority may also remove the Trustee at any time upon 30 days' notice, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth herein.

SECTION 6.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority and the City by registered or certified mail. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument described in Section 6.06 or within 60 days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may, at the expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 60-day period.

SECTION 6.09. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the Authority appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section are adopted to these ends. If the Trustee or the Authority appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.12. Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, action, suit, claim, judgment and liabilities arising out of or in the exercise and performance of its powers and duties hereunder and under the Site Lease and the Lease, including the costs and expenses of defending against any claim of liability and fees and expenses of its attorneys, but excluding any and all losses, expenses and liabilities that are due to the negligent or willful misconduct of the Trustee, its officers, directors or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least 25% in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture or exercising any power conferred upon the Trustee under this Indenture. The obligations of the Authority under this Section shall survive the termination of this Indenture and the resignation or removal of the Trustee under this Indenture.

ARTICLE VII
MODIFICATION AND AMENDMENT OF THE INDENTURE

SECTION 7.01. Amendment. This Indenture and the rights and obligations of the Authority and the Owners may be modified or amended at any time by a Supplemental Indenture, which shall become binding to the extent permitted by law upon adoption, without consent of any Owner, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners;

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable; or

(c) for any other purpose that does not materially adversely affect the interests of the Owners.

Except as set forth in the preceding paragraph of this Section, this Indenture and the rights and obligations of the Authority and of the Owners may only be modified or amended at any time by a Supplemental Indenture, which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the affected Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) modify any of the rights or obligations of the Trustee without its written consent thereto.

SECTION 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Prior to entering into any Supplemental Indenture pursuant to this Section, the Authority shall deliver to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of this Indenture.

SECTION 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner at such effective date and presentation of such Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Owners' action shall be prepared and executed, and in that case upon demand of the Owner at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied has been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than 50% in aggregate principal amount of the Outstanding Bonds; provided, that if such default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected, which period shall not be longer than sixty (60) days from the date of written notice specifying the failure.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

(e) Default under Section 10 of the Lease and such default shall not have been remedied within any applicable grace period thereunder.

SECTION 8.02. Remedies; No Acceleration. Upon the occurrence of an Event of Default the Trustee shall have the right:

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

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

(c) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.02(c), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver or any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

The Trustee shall have no right to declare the principal of or interest on the Bonds to be due and payable immediately.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 8.03. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid, *provided, however,* that if such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

SECTION 8.04. Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however,* that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and if the Trustee is indemnified as provided in Section 6.02(c). Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners issued hereunder by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner 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 conferred upon the Trustee or Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

SECTION 8.07. Rights of Owners. No Owner shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners.

The right of any Owner to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX
TAX COVENANTS

SECTION 9.01. Tax Covenants. Covenants to Maintain Tax-Exempt Status of the Bonds. The Authority covenants as follows in this Section.

Special Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of that Series of Bonds.

“Rebate Amount,” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(a) Not to Cause Interest to Become Taxable. The Authority covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to Section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Trustee receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect such exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the Authority shall comply with each of the specific covenants in this Section.

(b) Private Use and Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the Authority shall take all actions necessary to assure that the Authority at all times prior to the final cancellation of the last of the Bonds to be retired:

(1) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(c) No Private Loan. Except as would not cause any Bond to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(d) Not to Invest at Higher Yield. Except as would not cause the Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(e) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the Authority shall take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(f) Information Report. The Authority shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(g) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(1) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of Bonds with its other monies, provided that it separately

accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Authority shall calculate, the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The Authority shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date. The Trustee may rely conclusively upon the Authority's determinations, calculations and certifications. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Authority's calculations hereunder.

(3) In order to assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Authority at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T prepared by the Authority or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the Authority.

(h) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (g) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(i) Bonds Not Hedge Bonds.

(1) The Authority represents that none of the Bonds is or will become a "hedge bond" within the meaning of section 149(g) of the Code.

(2) As of the date of issuance of the Bonds the Authority reasonably expects that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(j) Elections. The Authority hereby directs and authorizes any Authority Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(k) Closing Certificate. The Authority agrees to execute and deliver in connection with the issuance of the Bonds a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Authority agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

ARTICLE X
MISCELLANEOUS

SECTION 10.01. Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or otherwise from amounts payable under the Lease). The Authority may, however advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds as in this Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premiums (if any) on or principal of the Bonds. The Owners shall never have the right to compel the forfeiture of any property of the Authority except the Revenues and other funds pledged to the payment of the Bonds as provided in this Indenture. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in this Indenture.

SECTION 10.02. Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee, the City and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the City and the Owners.

SECTION 10.03. Defeasance; Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premiums (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums (if any); or

(c) by irrevocably depositing with the Trustee or an escrow agent, in trust pursuant to an escrow deposit agreement, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine in a written report acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee, filed with the Trustee (upon which report the Trustee may conclusively rely) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and

(d) delivering an opinion of Bond Counsel acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee to the effect that the Bonds are no longer Outstanding under the Indenture, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all amounts due the Trustee. Any funds held by the Trustee following any payment or discharge of the Outstanding Bonds pursuant to this Section, which are not required for said purposes, shall after payment of amounts due the Trustee hereunder be paid over to the Authority.

SECTION 10.04. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 10.05. Content of Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture except the certificate of destruction pursuant to Section 10.10 shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such covenant or conditions and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of the Authority, or upon the certificate or opinion of or representations by an officer or officers of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 10.06. Execution of Documents by Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner shall bind every future Owner with respect to the same Bond and the Owner with respect to any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 10.07. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, unless all Bonds are then so owned, Bonds that are owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, *provided, however,* that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee actually knows to be so owned or held shall be disregarded.

SECTION 10.08. Waiver of Personal Liability. No official, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such official, officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.09. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law.

SECTION 10.10. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall cancel and destroy such Bonds and upon Request of the Authority furnish to the Authority a certificate of such destruction.

SECTION 10.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 10.12. Payment on Business Days. Whenever in this Indenture any amount is required to be paid on a day that is not a Business Day, such payment shall be required to be made, without accruing additional interest thereby, on the Business Day immediately following such day.

SECTION 10.13. Notices. All notices, requests and other communications provided for hereunder shall be in electronic, telephonic or written form and shall be given to the party to whom sent, addressed to it, at its address or other address or telephone, number telecopier as such party may hereafter specify for the purpose by notice to the other parties set forth below. Each such notice, request or communication shall be effective (i) if given by telephone, telecopier or other electronic means, when such communication is transmitted to the address specified below and any appropriate answerback or confirmation is received, (ii) if given by certified or registered mail, return receipt requested, on the date of receipt appearing on the return postal receipt for notices given by certified or registered mail, (iii) if given by hand delivery, when delivered at the address specified below:

If to the Authority:	El Centro Financing Authority c/o City of El Centro 1275 West Main Street El Centro, California 92243 Attention: Executive Director
If to the City:	City of El Centro 1275 West Main Street El Centro, California 92243 Attention: City Manager
If to the Trustee:	U.S. Bank National Association 633 West 5th St., 24th Floor Los Angeles, California 90071 Attention: Global Corporate Trust

The Authority and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 10.14. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority (without liability for interest), as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such Bonds; *provided, however,* that before being required to make any such payment to the Authority, the Trustee shall, at the written request and expense of the Authority, cause to be mailed to the Owners, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 10.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be signed by their respective officers, all as of the day and year first above written.

EL CENTRO FINANCING AUTHORITY

By ___________________________________
Executive Director

ATTEST:

By ___________________________________
Secretary

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 (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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. ___ $_________

EL CENTRO FINANCING AUTHORITY
LEASE REVENUE BONDS, 2021 SERIES A
(LIBRARY PROJECT)

RATE OF INTEREST:	MATURITY DATE:	DATED DATE:	CUSIP:
____%			

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The EL CENTRO FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to October 1, 2021, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing October 1, 2021 (the “Interest Payment Dates”) until payment of such Principal Amount in full. The Principal Amount hereof is payable by check or wire upon presentation hereof upon maturity or earlier redemption at the designated corporate trust office (the “Trust Office”) of U.S. Bank National Association, as trustee (the “Trustee”). Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding such Interest Payment Date (except that in the case of a Registered Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds, such payment may, at such Registered Owner’s option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the fifteenth calendar day of the month preceding such Interest Payment Date).

This Bond is one of a duly authorized issue of bonds of the Authority designated the “El Centro Financing Authority Lease Revenue Bonds, 2021 Series A (Library Project)” (the “Bonds”), in an aggregate principal amount of $____________ issued under an Indenture, dated as of April 1, 2021 (the “Indenture”), by and between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Act”). The Bonds are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues as provided in the Indenture. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the principal of and interest on the Bonds. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest or premium (if any) on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The Bonds have been issued for the purpose of financing certain capital facilities for the City. The Authority and the City have entered into a Lease Agreement, dated as of April 1, 2021 (the “Lease”), under which the City is obligated to pay amounts which are anticipated to be sufficient to enable the Authority to pay the principal of and interest on the Bonds.

The Bonds are subject to redemption prior to their maturity as provided in the Indenture.

The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided in the Indenture, as a whole or in part on any date, from prepayments of 2021 Base

Rental Payments made by the City pursuant to the Lease from funds received by the City due to a taking of the Leased Property or any portion thereof under the power of eminent domain or from insurance proceeds received by the City due to damage to or destruction of the Leased Property or any portion thereof, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Lease. Redemption of Bonds pursuant to this paragraph shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The Bonds may be issued in denominations of $5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of Authorized Denomination or Denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance 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 by the Act (as such term is defined on the reverse side hereof) and the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond shall not be entitled to any benefit under the Indenture (as such term is defined on the reverse side hereof), or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signatures of its Chairman and Secretary as of the Dated Date identified above.

EL CENTRO FINANCING AUTHORITY

By____
Chairman

ATTEST:

____
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Dated: ________, 20__

U.S. Bank National Association, as Trustee

By______________________________________
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto ________ ____ ______________________________, whose tax identification number is ________, the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____________ ____ attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated:

Signature guaranteed:

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

____
NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program.

EXHIBIT B

FORM OF COSTS OF ISSUANCE REQUISITION

REQUISITION NO. __

with reference to

El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

I. The El Centro Financing Authority (the "Authority") hereby requests U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and the Trustee, under the terms of which the Authority has issued its Lease Revenue Bonds, 2021 Series A, to pay from the moneys in the 2021 Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the 2021 Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the 2021 Costs of Issuance Fund.

Dated: _______, 20__

EL CENTRO FINANCING AUTHORITY

By______________________________________
Title:____________________________________

EXHIBIT C

FORM OF 2021 PROJECT FUND REQUISITION

Requisition of the City
(2021 Project Fund)
(Section 3.05 of the Indenture)

U.S. Bank National Association
Attention: Corporate Trust

Request No.: P-___ (to be sequentially numbered)

Project Component	Amount of This Draw	Aggregate Amount Draws Including This Draw
	____________	________________
	____________	________________
	____________	________________
	____________	________________
	____________	________________
	____________	________________

(Continue on Additional Sheet if Necessary)

Name and Address of party to whom payment is to be made:

____

Purpose for which the obligation was incurred:

____

The undersigned (the "City") hereby certifies that (i) each such cost or expense constitutes a proper charge against the Project Fund for services rendered, and has not been the subject of any other payment request filed with you; and (ii) if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder and that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty.

Date: ________, 20__

CITY OF EL CENTRO

By:___________________________
Title:_________________________

EXHIBIT D

FORM OF NET PROCEEDS REQUISITION

REQUISITION NO. __ (to be numbered sequentially)

with reference to

El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

I. The El Centro Financing Authority (the "Authority") hereby requests U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and the Trustee, under the terms of which the Authority has issued its Lease Revenue Bonds, 2021 Series A, to pay from the moneys in the 2021 Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the 2021 Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the 2021 Costs of Issuance Fund.

IV. There has not been filed with or served upon the City or the Authority a stop notice or any other notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable to the person[s] named on Schedule I hereto which has not been released or will not be released simultaneously with the payment of such obligation, other than liens accruing by mere operation of law.

Dated: ________, 20__

EL CENTRO FINANCING AUTHORITY

By____
Title:______________________________________

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2021

NEW ISSUE BOOK-ENTRY-ONLY **RATING:**
S&P "__" (See "RATING" herein.)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in "TAX MATTERS" herein, interest on the 2021A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of the owners thereof. It is also the opinion of Bond Counsel that under existing law interest on the 2021A Bonds is exempt from personal income taxes of the State of California.. See "TAX MATTERS" herein.

$20,000,000*
EL CENTRO FINANCING AUTHORITY
LEASE REVENUE BONDS, 2021 SERIES A
(LIBRARY PROJECT)

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

The El Centro Financing Authority (the "Authority") is issuing its $20,000,000* Lease Revenue Bonds, 2021 Series A (Library Project) (the "2021A Bonds") to provide funds to (i) finance the acquisition, construction and improvement of a new library facility in the City (the "Library Project"), as described herein, (ii) [fund a reserve for the 2021A Bonds,] and (iii) pay the related costs of issuing the 2021A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Interest on the 2021A Bonds is payable on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing October 1, 2021. The 2021A Bonds are being issued as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The 2021A Bonds, if issued, will be issued in denominations of $5,000 or any integral multiple thereof. DTC will act as securities depository of the 2021A Bonds. Individual purchases of 2021A Bonds will be made in book-entry form only. Payments of principal of and interest on the 2021A Bonds are to be made to purchasers by DTC through DTC Participants. Purchasers will not receive physical delivery of the 2021A Bonds purchased by them. See APPENDIX F – "BOOK-ENTRY SYSTEM."

The 2021A Bonds are subject to extraordinary, mandatory and optional redemption prior to their stated maturities, as described herein. See "DESCRIPTION OF THE 2021A BONDS – Redemption" herein.

The 2021A Bonds are special limited obligations of the Authority secured by and payable from Revenues pledged to the 2021A Bonds under the Indenture, as hereinafter described. Such Revenues primarily consist of 2021A Base Rental Payments to be made by the City of El Centro (the "City") to the Authority under the Lease, as hereinafter described. Pursuant to the Lease, the City will lease certain property described herein (the "Leased Property") from the Authority. The City is required under the Lease to make 2021A Base Rental Payments each year in consideration for the use of the Leased Property, as described herein, from any source of legally available funds, in an amount sufficient to pay the annual principal of and interest on the 2021A Bonds. The City's obligation to make 2021A Base Rental Payments is subject to abatement in the event of substantial interference with the use and possession of all or a part of the Leased Property supporting the 2021A Bonds, as described herein. See "RISK FACTORS – Abatement" herein. The City has covenanted in the Lease to take such action as may be necessary to include and maintain all 2021A Base Rental Payments in its budget and to make the necessary appropriations therefor, subject to such abatement.

The full faith and credit of the Authority is not pledged for the payment of the principal of or interest or premium (if any) on the 2021A Bonds. The obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the 2021A Bonds nor the obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments constitutes an indebtedness of the City, the State of California or any of its political subdivisions (other than the Authority) within the meaning of any constitutional or statutory debt limitation or restriction.

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

The 2021A Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, as Bond Counsel to the Authority. Certain legal matters will be passed on by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel for the Authority and the City, for the Authority and the City by the City Attorney, and for the Underwriter by its counsel Kutak Rock LLP, Irvine, California. It is anticipated that the 2021A Bonds will be available for delivery through the facilities of DTC on or about May __, 2021.

Ramirez & Co., Inc.

Dated: _______, 2021

* Preliminary, subject to change.

MATURITY SCHEDULE

$20,000,000*
El Centro Financing Authority
Lease Revenue Bonds, 2021 SERIES A
(Library Project)

(Base CUSIP No.† ______)

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$______ _____% Term Bonds due October 1, 20__, Yield: _____%; Price: ____%
CUSIP†: ________

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Ratings on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of investors. None of the City, the Authority, the Underwriter or the Municipal Advisor is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2021A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2021A Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021A Bonds.

CITY OF EL CENTRO
EL CENTRO FINANCING AUTHORITY

CITY COUNCIL/BOARD OF DIRECTORS

Cheryl Viegas-Walker, *Mayor/Chairman*
Tomas Oliva, *Mayor Pro Tem/Authority Member*
Edgard Garcia, *Councilmember/Authority Member*
Sylvia Marroquin, *Councilmember/Authority Member*
Martha Cardenas-Singh, *Councilmember/Authority Member*

CITY OFFICIALS

Marcela Piedra, *City Manager/Authority Executive Director*
Richard Romero, *Director of Finance*
Norma Wyles, CMC, *City Clerk*
Elizabeth L. Martyn, *City Attorney*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor

NHA Advisors, LLC
San Rafael, California

Trustee

U.S. Bank National Association
Los Angeles, California

Dissemination Agent

[to come]

No dealer, broker, salesperson or other person has been authorized by the El Centro Financing Authority (the "Authority"), the City of El Centro, California (the "City") or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2021A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2021A Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been furnished by the Authority and the City and includes information from sources that are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City, or other matters described herein since the date hereof.

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

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access ("EMMA") website. Unless otherwise expressly stated, references to Internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including any content on the City's website) is incorporated in this Official Statement by reference. The City and the Authority make no representation regarding the accuracy or completeness of the information presented on such websites.

IN CONNECTION WITH THE OFFERING OF THE 2021A BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2021A BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

The City maintains a website with information pertaining to the City. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the 2021A Bonds.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

OFFICIAL STATEMENT

$20,000,000[1]
El Centro Financing Authority
Lease Revenue Bonds, 2021 SERIES A
(Library Project)

INTRODUCTION

This Official Statement, which includes the cover page, the inside cover page and attached appendices, provides certain information in connection with the sale and delivery of the $20,000,000 El Centro Financing Authority Lease Revenue Bonds, 2021 Series A (Library Project) (the "2021A Bonds"). Capitalized terms used and not otherwise defined herein shall have the meanings given in the Indenture or the Lease (each as hereinafter defined) or in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS."

Purpose of the 2021A Bonds

The 2021A Bonds are being issued under the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Bond Law"). The 2021A Bonds are being issued pursuant to an Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the El Centro Financing Authority (the "Authority") and U.S. Bank National Association, as trustee (the "Trustee").

The Authority is issuing the 2021A Bonds, to provide funds to (i) finance the acquisition, construction and improvement of a new library facility in the City (the "Library Project"), as described herein, (ii) [fund a reserve for the 2021A Bonds,] and (iii) pay the related costs of issuing the 2021A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."-

Security for the 2021A Bonds

The 2021A Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent provided in the Indenture) of all of the Revenues, including all of the moneys in the 2021A Interest Account, the 2021A Principal Account and the 2021A Reserve Fund, including all amounts derived from the investment of such moneys. "Revenues" means (i) all Base Rental Payments payable by the City pursuant to the Lease (defined below), (ii) any proceeds of Bonds deposited with the Trustee and all moneys on deposit in the funds and accounts established under the Indenture, except the Rebate Fund, (iii) investment income with respect to such moneys held by the Trustee, and (iv) any insurance proceeds or condemnation awards received by or payable to the Trustee relating to the Base Rental Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021A BONDS."

Pursuant to a Site and Facility Lease, dated as of April 1, 2021 (the "Site Lease"), by and between the City and the Authority, the Authority will lease from the City certain real property and improvements, constituting the Aquatic Center and the real property for the Library Project (the "Leased Property"). Pursuant to the Lease Agreement, dated as of April 1, 2021 (the "Lease"), by and between the Authority and the City, the Authority will sublease the Leased Property to the City. See "LEASED PROPERTY."

[1] Preliminary, subject to change.

Pursuant to the Lease, the City will pay to the Trustee, as the assignee of the Authority, base rental payments (collectively, the "2021A Base Rental Payments") in amounts equal to scheduled debt service on the 2021A Bonds, as set forth in the base rental payment schedule for the 2021A Bonds (the "2021A Base Rental Payment Schedule").

The obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the 2021A Bonds nor the obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments constitutes an indebtedness of the City, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. Pursuant to the Lease, the City has covenanted to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments due under the Lease in its annual budget and to make the necessary annual appropriations for all such Base Rental Payments and Additional Rental Payments required to be made under the Lease, subject only to abatement as provided therein. See "RISK FACTORS – Base Rental Payments Are Not Debt; 2021A Bonds are Limited Obligations" and "– Abatement." See "SECURITY AND SOURCES OF PAYMENT."

2021A Reserve Fund

Pursuant to the Indenture, a 2021A Reserve Fund will be established for the 2021A Bonds and funded at the 2021A Reserve Requirement. "2021A Reserve Requirement" means, as of each calculation date, an amount equal to the least of (i) Maximum Annual Debt Service on all Outstanding 2021A Bonds, (ii) 10% of the initial principal amount of the 2021A Bonds (or, if the 2021A Bonds are sold with more than 2% net original issue discount or more than 2% net original issue premium, 10% of the issue price of the 2021A Bonds), or (iii) 125% of the average Annual Debt Service as of the date of issuance of the 2021A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021A BONDS – 2021A Reserve Fund."

COVID-19 Pandemic

The outbreak of COVID-19, a respiratory disease caused by new strains of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is significantly affecting many parts of the world, including the United States, California, the County of Imperial (the "County") and the City of El Centro (the "City"). The Pandemic has negatively affected travel and commerce and is widely expected to continue to negatively affect economic output. See "RISK FACTORS – COVID–19 Pandemic."

The City

The City is the seat of the County. The City is located approximately 120 miles east of the City of San Diego and approximately 60 miles west of Yuma, Arizona. The City lies ~~7~~13 miles north of the City of Mexicali with a population of approximately 1 million, the capital of the State of Baja California, Mexico, and its strategic border location makes it a prime link between the interior of Mexico and the major markets along the West Coast of the United States. The City encompasses approximately 11 square miles and straddles the busy Interstate 8, the major interstate highway linking southern California to its eastern neighbors. As of January 1, 2020, the City had a population of approximately 45,700. For additional information regarding the City and surrounding area, see APPENDIX A – "SUPPLEMENTAL INFORMATION – THE CITY OF EL CENTRO AND IMPERIAL COUNTY."

The Project

The planned 19,811 square foot Library Project will include a community room, staff area, reading areas, bookstore and exterior patios. As part of the project, the site work will include reconfiguration of existing parking, new landscape and landscape upgrades, stormwater management and new site lighting among other things. See "PLAN OF FINANCE – The Project."

Continuing Disclosure

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the 2021A Bonds and as such, the Authority will not provide any such information.

The City has agreed to provide, with respect to the 2021A Bonds, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (the "EMMA System"), certain annual financial information and operating data relating to the City and, in a timely manner, notice of certain events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12, as amended (the "Rule 15c2-12") adopted by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" for a description of the annual reports and notices of enumerated events to be provided by the City.

DESCRIPTION OF THE 2021A BONDS

The 2021A Bonds will be dated their date of delivery and issued in the aggregate principal amount and bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest on the 2021A Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021 (each an "Interest Payment Date"). Each 2021A Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is executed after the fifteenth calendar day of the month immediately preceding an Interest Payment Date, in which case interest will bear from such Interest Payment Date, or (ii) it is authenticated on or before September 15, 2021, in which event interest will accrue from the date of initial delivery of the 2021A Bonds. If, at the date of authentication of any 2021A Bond, interest thereon is in default, such 2021A Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on such outstanding 2021A Bond, or if no interest has been paid, from the date of initial delivery of the 2021A Bonds. Interest on the 2021A Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

The 2021A Bonds are being issued as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The 2021A Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Individual purchases of 2021A Bonds will be made in book-entry form only. Payments of principal of and interest on the 2021A Bonds are to be made to purchasers by DTC through DTC Participants. Purchasers will not receive physical delivery of the 2021A Bonds purchased by them. See APPENDIX F – "BOOK –ENTRY SYSTEM."

Redemption[2]

Optional Redemption of Bonds. The 2021A Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to their respective maturity dates as a whole or in part on any date on or after October 1, 20__, in any order deemed reasonable by the Authority, and by lot within a maturity, from prepayments of 2021A Base Rental Payments made at the option of the City pursuant to the Lease, at a redemption price equal to the principal amount of the 2021A Bonds to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption of 2021A Bonds. The 2021A Term Bond maturing on October 1, 20__ is subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing October 1, 20__, and on October 1 in each year thereafter to and including October 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Redemption Date (October 1)	Principal Amount To be Redeemed

* Maturity.

If some but not all of a 2021A Term Bond has been redeemed pursuant to extraordinary or optional redemptions, the total amount of sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of such 2021A Term Bond so redeemed by reducing each such future sinking account payment on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee. In the event of any reductions in the amount of sinking account payments due as a result of some but not all of the 2021A Bonds being redeemed pursuant to extraordinary or optional redemptions, the Authority shall provide the Trustee with a revised schedule reflecting such reductions.

Extraordinary Redemption. The 2021A Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided in the Indenture, as a whole or in part on any date, from prepayments of 2021A Base Rental Payments made by the City pursuant to the Lease from funds received by the City due to a taking of the Leased Property or any portion thereof under the power of eminent domain or from insurance proceeds received by the City due to damage to or destruction of the Leased Property or any portion thereof, under the circumstances and upon the conditions and terms prescribed herein and in the Lease. Redemption of 2021A Bonds shall be made at a redemption price equal to the sum of the principal of the 2021A Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the 2021A Bonds, the Trustee shall select the 2021A Bonds to be redeemed from all 2021A Bonds not previously called for redemption, in such maturities as the Authority shall designate (and by lot within any maturity). For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate 2021A Bonds, which may be separately redeemed.

[2] Preliminary, subject to change.

Notice of Redemption

The Trustee on behalf and at the expense of the Authority shall send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least twenty (20) but not more than sixty (60) days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the 2021A Bond numbers and the maturity or maturities (except in the event of redemption of all of the 2021A Bonds) of the 2021A Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

Any notice given pursuant to the Indenture may be conditional and/or rescinded by written notice given to the Trustee by the Authority and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given pursuant to the Indenture.

Partial Redemption of Bonds

If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new 2021A Bond or Bonds, interest rate and maturity date, in aggregate principal amount equal to the unredeemed portion of the 2021A Bond being redeemed.

Effect of Redemption

From and after the date fixed for redemption, if funds available for the payment of the principal of, premium, if any, and interest on the 2021A Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All 2021A Bonds redeemed pursuant to the Indenture shall be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

SECURITY AND SOURCES OF PAYMENT FOR THE 2021A BONDS

2021A Bonds

General. The 2021A Bonds will be secured by a first lien on and pledge of the Revenues, which consist substantially of the 2021A Base Rental Payments payable by the City pursuant to the Lease. The 2021A Base Rental Payments will be paid by the City in an amount sufficient to pay the principal of and interest on the 2021A Bonds on each Interest Payment Date. On or before the fifteenth (15) Business Day preceding each Interest Payment Date, the City is required to pay to the Trustee the 2021A Base Rental Payments coming due on the next succeeding Interest Payment Date, respectively, from any legally available sources.

Pursuant to an Assignment Agreement, dated as of April 1, 2021 (the "Assignment Agreement"), by and between the Authority and the Trustee, relating to the 2021A Bonds, the Authority has and will assign, as further security for its obligations to make timely payment of principal of and interest on the 2021A Bonds to the Trustee for the benefit of the Owners certain of the Authority's rights under the Lease and Site Lease, including the right to receive all 2021A Base Rental Payments.

Additional Rental Payments

Under the Lease, in addition to 2021A Base Rental Payments, the City has agreed to pay Additional Rental Payments in such amounts in each year as shall be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the 2021A Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of the Lease or the assignment thereof, the Indenture, or the Authority's or the Trustee's interest in the Leased Property, including, but not limited to, all fees, costs and expenses, all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), fees of auditors, accountants, attorneys or engineers, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the 2021A Bonds or of the Indenture. Such Additional Rental Payments shall be billed to the City by the Authority or the Trustee from time to time. Amounts so billed shall be paid by the City within sixty (60) days after receipt of the bill by the City.

Covenant to Budget and Appropriate

The City has covenanted in the Lease to take such action as may be necessary to include all 2021A Base Rental Payments and Additional Rental Payments due under the Lease in its budget and to make the necessary annual appropriations for all such 2021A Base Rental Payments and Additional Rental Payments, subject only to abatement as provided in the Lease.

The City will furnish to the Authority and the Trustee annually, on or before ________ 1, a certificate stating that it has complied with this covenant, as set forth in the Lease. The covenants on the part of the City contained in the Lease shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the 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 the Lease agreed to be carried out and performed by the City.

Limited Obligations

The full faith and credit of the Authority is not pledged for the payment of the principal of or interest or premium (if any) on the 2021A Bonds. The 2021A Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture. The obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the 2021A Bonds nor the obligation of the City to make 2021A Base Rental Payments or Additional Rental Payments constitutes an indebtedness of the City, the State of California or any of its political subdivisions (other than the Authority) within the meaning of any constitutional or statutory debt limitation or restriction.

2021A Reserve Fund

Under the Indenture, a 2021A Reserve Fund is established for the 2021A Bonds that will be funded at the 2021A Reserve Requirement, and any deficiency therein shall be replenished from the first available Revenues pursuant to the Indenture. Moneys in the 2021A Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the 2021A Bonds, including the redemption price of the 2021A Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to the Indenture, if the Revenues are insufficient therefor. If the amount on deposit in the Lease Revenue Fund on any date is insufficient to enable the Trustee to pay in full the aggregate amount of principal of and interest on the Bonds coming due and payable, including the redemption price of the 2021A Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to the Indenture, the Trustee shall withdraw the amount of such insufficiency from the 2021A Reserve Fund and transfer such amount to the Lease Revenue Fund. If the amount on deposit in the 2021A Reserve Fund exceeds the 2021A Reserve Requirement on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date, the amount of such excess shall be withdrawn therefrom by the Trustee and transferred to the Lease Revenue Fund and credited against the Base Rental Payments next due from the City.

The Authority may fund all or a portion of the 2021A Reserve Requirement with one or more Qualified Reserve Fund Credit Instruments. A "Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank, national banking association or insurance company and deposited with the Trustee pursuant to the Indenture provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company at the time of delivery of such letter of credit or surety bond is rated in one of the two highest rating categories by Moody's or S&P and, if rated by A.M. Best & Company, a minimum rating of "A"; (ii) such letter of credit or surety bond or policy has a term which ends no earlier than the last Interest Payment Date of the 2021A Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2021A Reserve Requirement with respect to which funds are proposed to be released pursuant to the Indenture; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the amounts available to repay the principal of and interest on the 2021A Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – THE INDENTURE."

Abatement of Base Rental Payments

The obligation of the City to pay 2021A Base Rental Payments and Additional Rental Payments is subject to abatement during any period in which by reason of any damage, destruction, condemnation or title defect there is substantial interference with the use by the City of the Leased Property or any portion thereof. See "RISK FACTORS – Abatement." Such abatement shall be in an amount such that the resulting Base Rental Payments in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or title defect does not substantially interfere with the City's use and right of possession, as evidenced by a Certificate of the City. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation, taking or title defect and, with respect to damage to or destruction of the Leased Property, ending with the substantial completion of the work of repair or replacement of the Leased Property, or the portion thereof so damaged or destroyed.

An abatement will continue for the period commencing with the date on which the Leased Property is not available for use and occupancy and ending with the date on which the Leased Property is available for use and occupancy by the City. The term of the Lease will be extended by the period during which 2021A Base Rental Payments or Additional Rental Payments is abated, except that the term may in no event be extended beyond ten years following the stated term thereof.

The spread of COVID-19 resulted in the imposition of restrictions on gatherings, widespread temporary closings of businesses and schools (including within the City) and implementation from time to time of safer-at-home orders for citizens to remain at home, except for certain essential purposes. These restrictions limited public access to certain City-owned facilities from time to time that include the Leased Property. Any similar restrictions imposed in the future are not expected to cause 2021A Base Rental Payments or Additional Rental Payments to be abated under the Lease.

Maintenance, Utilities, Taxes and Assessments

During such time as the City or any assignee or sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of (a) all utility services supplied to the Leased Property, (b) the cost of operation of the Leased Property, and (c) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City shall at the City's sole cost and expense keep and maintain the Leased Property clean and in a safe and good condition and repair. The Authority shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the parties hereto affirm that the Authority has made no representations or warranties to the City respecting the condition of the Leased Property. The City shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property. The City waives the right to make repairs at the Authority's expense under Subsection 1 of Section 1932 and Section 1942 of the California Civil Code, or any other such law, statute, or ordinance now or hereafter in effect.

The Leased Property will be used for public purposes by the City and, therefore, the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. If the use, possession or acquisition by the Authority or the City of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as the Lease is in effect.

Insurance Coverages

Pursuant to the Lease, the City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in the Lease, all coverage on the Leased Property required by the Lease. Such insurance shall consist of (i) comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Leased Property. Such insurance shall afford protection with a combined single limit of not less than $1,000,000 per occurrence with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose, subject to a deductible clause of not to exceed $500,000. The City's obligations under this clause (i) may be satisfied by self-insurance; (ii) casualty insurance, throughout the term of the Lease, against loss or damage to any or all of the Leased Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, and against loss of Leased Property by theft. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The insurance required by this paragraph shall be in an amount not less than the principal amount of the Outstanding Bonds. The City's obligations under this clause (ii) may be satisfied by self-insurance; (iii) workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Leased Property and to cover full liability for compensation under any such act; provided, however, that the City's obligations under this clause (iii) may be satisfied by self-insurance.

Rental interruption insurance will also be maintained in an amount not less than the maximum remaining scheduled Base Rental Payments in any twenty-four (24) month period, by an insurance provider rated at least "A" by A.M. Best & Company, to insure against loss of use of the Leased Property caused by perils covered by the comprehensive general liability coverage insurance). Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the City and must list the Authority and the Trustee as additional insured parties. The net proceeds of such insurance shall be paid to the Trustee and credited toward the payment of the Base Rental Payments in the order in which such Lease Payments come due and payable.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be canceled or materially changed without at least 30 days' prior written notice to the Authority and the Trustee. Certificates of comprehensive general liability and workers' compensation insurance shall be furnished by applicable insurers to the City, and, at least ten days prior to the expiration dates of such policies, if any, evidence of renewals shall be deposited with the Trustee. If the City elects to provide self-insurance pursuant to clauses (i), (ii) and/or (iii) above, the City shall annually cause to be delivered to the Trustee, upon request, a certificate of an Insurance Consultant certifying to the adequacy of the City's reserves for such insurance. All policies or certificates of insurance provided for in the Lease shall name the City as a named insured and the Trustee as an additional insured. All proceeds of insurance maintained under clauses (i) and (ii) shall be deposited with the City and under clause (2) shall be deposited with the Trustee. Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers at a reasonable cost on the open market.

Substitution and Release of Property

Pursuant to the Lease, the City and the Authority specifically acknowledge that the annual fair rental value of the Leased Property is in excess of the maximum annual 2021A Base Rental Payments. The City shall have, so long as the Lease is in effect, and is granted under the Lease, the option at any time and from time to time, to substitute other real property (the “Substitute Property”) for any portion of the Leased Property (the “Former Property”) or release any identifiable real property and/or improvements currently constituting the Leased Property (in such case, Substitute Property shall mean the Former Property less any portion released pursuant to the Lease); provided, that the City must satisfy all of the following requirements, which are conditions precedent to such substitution:

(a) No default under the Lease or Event of Default shall have occurred and be continuing;

(b) The City shall file with the Authority and the Trustee, and cause to be recorded in the office of the County Recorder, sufficient memorialization of amendments to the Lease and the Site Lease which replaces Exhibit A to the Lease and Exhibit A to the Site Lease with a description of such Substitute Property which deletes therefrom the description of the Former Property;

(c) The City shall obtain an extended California Land Title Association (“CLTA”) policy of title insurance insuring the City’s fee or leasehold estate in such Substitute Property, the City’s leasehold estate hereunder, and the Authority’s leasehold estate under the Site Lease in such Substitute Property, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Outstanding Bonds; provided, however, that this requirement shall not apply to Substitute Property that consists only of Former Property less any released portion;

(d) The City shall provide a Certificate of the City to the Authority and to the Trustee that such Substitute Property constitutes property which the City is permitted to lease under the laws of the State of California;

(e) The substitution of the Substitute Property shall not cause the City to violate any of its covenants, representations and warranties made herein;

(f) The City shall file with the Authority and the Trustee a Certificate of the City or other evidence which establishes that the annual fair rental value of the Substitute Property after substitution or release will be at least equal to 100% of the maximum amount of the Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year and the useful economic life of the Substitute Property shall be at least equal to the maximum remaining term of the Lease; and

(g) The City shall furnish to the Trustee an opinion of Bond Counsel addressed to the Trustee, the City and the Authority to the effect that the substitution or release is permitted under the Lease.

Upon the satisfaction of all such conditions precedent, and upon the City delivering to the Authority and the Trustee a Certificate of the City certifying that the conditions set forth in subsections (a), (c) and (e) outlined above have been satisfied, the Term of the Lease shall thereupon end as to the Leased Property and shall thereupon commence as to the Substitute Property, and all references to the Leased Property shall apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Base Rental Payments whatsoever as a result of any substitution or removal under the Lease.

PLAN OF FINANCE

General

The Authority is issuing the 2021A Bonds, to provide funds to (i) finance the acquisition, construction and improvement of the Library Project, (ii) [fund a reserve for the 2021A Bonds,] and (iii) pay the related costs of issuing the 2021A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

The Project

The ~~planned 19,811 square foot~~ Library Project ~~will~~is a single-story structural steel building with 19,811 square feet of space to include a community room, staff area, reading areas, bookstore and exterior patios. As part of the project, the site work will include reconfiguration of existing parking, new landscape and landscape upgrades, stormwater management and new site lighting among other things. ~~[more detail to come]~~

LEASED PROPERTY

General. The Leased Property consists of the site for the Library Project and the City's Aquatic Center, located at 540 Park Avenue, El Centro CA. The Aquatic Center, which opened in 2019, contains an instructional/warm-up pool, an 8 lane competition pool with scoreboard and touch pads, recreational pool, and a lazy river on an approximately 3.5 acre site. In addition, the Aquatic Center contains staff offices, locker rooms, restrooms, concession stand and an event area. The value of the Leased Property will be certified by the City when the 2021A Bonds are issued to be at least equal to the initial principal amount of the 2021A Bonds. Once the Library Project is completed and the City has beneficial use and occupancy of the site and building, it is expected that the Aquatic Center will be released from the lien under the Lease and no longer serve as a component of the Leased Property. At the time of the release of the Aquatic Center, the City will certify to the Trustee that sufficient value remains in the Leased Property to support the then outstanding principal amount of the 2021A Bonds.

COVID-19 Pandemic. The spread of COVID-19 resulted in the imposition of restrictions on gatherings, widespread temporary closings of businesses and schools (including within the City) and implementation from time to time of safer-at-home orders for citizens to remain at home, except for certain essential purposes. These restrictions limited public access to certain City-owned facilities from time to time that include the Leased Property. Any similar restrictions in the future are not expected to cause 2021A Base Rental Payments or Additional Rental Payments to be abated under the Lease.

Substitution and Release of Property. The City may substitute other real property for any portion of the Leased Property described above, or release any identifiable real property and/or improvements currently constituting the Leased Property, provided the City satisfies the provisions of the Lease. See "SECURITY AND SOURCES OF PAYMENT OF THE 2021A BONDS – Substitution and Release of Property."

No Remedy of Foreclosure. The City has not granted any security interest in the Leased Property for the benefit of the owners of the 2021A Bonds, and there is no deed of trust or mortgage or remedy of foreclosure on the Leased Property upon the occurrence of an Event of Default under the Indenture or the Lease.

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds:

Sources:	
Par amount of the 2021A Bonds	$
[Net] Original Issue (Premium/Discount)	
Total Sources	$
Uses:	
2021A Project Fund	$
[2021A Reserve Fund]	
2021A Costs of Issuance Fund[1]	
Total Uses	$

[1] Costs of issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee, printing expenses, rating fee, underwriter's discount and other miscellaneous costs.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the 2021A Bonds.

Fiscal Year Ending June 30,	Principal	Interest	Total
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
Total			

THE AUTHORITY

The Authority is a joint powers authority, organized under a Joint Exercise of Powers Agreement, dated July 1, 1996 (the "Joint Powers Agreement"), by and between the Redevelopment Agency of the City of El Centro and the City. The Joint Powers Agreement was entered into pursuant to the provisions of the Act. The Authority is governed by a five-member Board of Directors that comprises the members of the City Council. The Authority has no separate staff, but operates using City staff members.

THE CITY

General

The City was incorporated under the Laws of the State of California in 1908. On November 3, 2009 voters approved Measure G adopting a City Charter. Under the provisions of the City Charter, the City has full authority over its own municipal affairs including, but not limited to, certain bidding and contracting procedures, regulation of parks, libraries and other facilities, certain fees; municipal zoning, and municipal utilities.

The City operates under a Council-Manager form of Government. The City Council consists of five members elected at large by the residents of the City. Council terms are four years, elected in November of even-numbered years. Each November, the City Council selects the Mayor from among its members for a one-year term.

The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and the City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities; and water and sewer services. Solid Waste collection and disposal is contracted out by the City.

The El Centro Regional Medical Center (the "Medical Center") provides medical services within the City. The Medical Center is a municipal hospital, separate agency and enterprise operation of the City. The Medical Center's finances are reported within the Proprietary Funds of the City's financial statements. Currently the Medical Center has El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the "Medical Center Bonds") outstanding in the aggregate principal amount of $125,000,000.

The Medical Center Bonds are supported by installment purchase payments that constitute special limited obligations of the City, secured solely by all revenues, income, receipts and money received in any period by the Medical Center (other than donor-restricted gifts, grants, bequests, donations, contributions, and tax revenues). Neither the faith and credit nor the taxing power of the City is pledged to the repayment of the Medical Center Bonds. The Medical Center Bonds do not constitute a debt of the City, the Authority or of the State of California or of any political subdivision thereof.

See APPENDIX A – "SUPPLEMENTAL INFORMATION – THE CITY OF EL CENTRO AND IMPERIAL COUNTY" and APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

Audited Financial Statements

The following table sets forth the City's General Fund assets, liabilities and fund balances based upon audited financial statements for Fiscal Years ended June 30, 2016 through June 30, 2020. City management's discussion of financial performance for the fiscal year ended June 30, 2020 is presented in the City's audited financial statements for the fiscal year ended June 30, 2020 attached hereto as APPENDIX B. Certain significant developments relating to the operations and finances of the City since June 30, 2020 are described herein. See "– Management Discussion" below.

TABLE 1
CITY OF EL CENTRO
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2020

	2016	2017	2018	**2019**	2020
Assets					
Cash and investments	$14,314,245	$15,754,082	$19,165,217	$23,460,208	$21,267,085
Receivables:					
Accounts	315,688	250,796	258,883	160,890	13,317
Taxes	3,594,283	2,987,672	2,636,927	2,884,244	2,442,013
Interest	19,325	19,325	19,325	112,766	19,325
Grants	32,183	-	-	-	-
Other	382,626	562,761	477,956	633,431	699,487
Due from other funds	2,062,575	2,024,050	2,051,4 17	2,301,410	2,596,184
Restricted Assets:					
Cash and investments	-	-	1,500,000	1,500,000	1,500,000
Total Assets	$20,720,925	$21,598,686	$26,109,725	$31,052,949	$28,537,411
Liabilities and Fund Balances					
Accounts payable	$ 908,037	$ 871,356	$ 1,745,387	$ 5,152,639	$ 1,155,616
Salaries/Benefits Payable	481,894	668,346	729,255	725,250	758,109
Unearned Revenue	596,559	816,710	189,436	87,158	13,205
Deposits	1,165,974	1,000,998	917,998	906,931	920,445
Total Liabilities	$ 3,152,464	$ 3,357,410	$ 3,582,076	$ 6,871,978	$ 2,847,375
Fund Balances					
Restricted	-	-	$ 1,500,000	$ 1,500,000	$ 1,500,000
Assigned	$ 4,632,159	$ 4,675,830	5,019,337	1,569,069	1,588,408
Unassigned	12,936,302	13,565,446	16,008,312	21,111,902	22,601,628
Total Fund Balances	$17,568,461	$18,241,276	$22,527,649	$24,180,971	$25,690,036
Total Liabilities and Fund Balances	$20,720,925	$21,598,686	$26, 109,725	$31,052,949	$28,537,411

Source: City of El Centro Audited Financial Statements.

The following table summarizes the revenues, expenditures, and changes in fund balance for the City's General Fund for the Fiscal Years ended June 30, 2016 through June 30, 2020. This information has been derived from the audited financial statements of the City for the fiscal years shown. This information should be read in conjunction with APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR FISCAL YEAR ENDED JUNE 30, 2020."

TABLE 2
CITY OF EL CENTRO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GENERAL FUND BALANCE
FOR FISCAL YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2020

	2016	**2017**	**2018**	**2019**	**2020**
Revenues					
Taxes	$16,681,457	$18,475,499	$23,946,816	$25,284,478	$24,650,046
Licenses and permits	327,027	270,740	423,868	266,735	299,970
Intergovernmental	5,860,119	5,465,535	5,679,992	6,234,930	6,738,296
Charges for services	606,407	665,156	848,953	727,046	714,401
Fines and forfeitures	97,175	91,105	76,671	66,376	47,633
Interest	108,971	118,339	-	1,118,789	340,253
Other	1,274,583	1,165,245	1,108,095	1,271,997	1,241,267
Total revenues	$24,955,739	$26,251,619	$32,084,395	$34,970,351	$34,031,866
Expenditures					
Current:					
General government	$ 3,239,773	$ 3,280,437	$ 4,007,539	$ 3,675,448	$ 3,428,969
Public safety	15,188,548	15,967,456	16,016,794	15,879,598	13,062,175
Public works	1,305,677	1,265,255	1,334,529	1,439,809	1,389,688
Parks and recreation	3,093,713	3,164,069	3,181,183	3,375,179	6,853,563
Community development	1,808,719	1,774,100	1,809,277	1,786,103	1,975,223
Capital Outlay	1,663,739	917,627	2,155,606	8,192,328	6,897,395
Total expenditures	$26,300,169	$26,368,944	$28,504,928	$34,348,465	$33,607,013
Excess (Deficiency) of Revenues over (under) Expenditures	($1,344,430)	($ 117,325)	$ 3,579,467	$ 621,886	$ 424,853
Other Financing Sources (Uses)					
Transfers in	$ 1,498,081	$ 855,140	$ 2,421,273	$ 3,075,436	$ 2,584,212
Transfers out	(183,160)	(65,000)	(1,714,368)	(2,044,000)	(1,500,000)
Total Other Financing Sources (Uses)	$ 1,314,921	$ 790,140	$ 706,905	$ 1,031,436	$ 1,084,212
Net Change in Fund Balances	($ 29,509)	$ 672,815	$ 4,286,372	$ 1,653,322	$ 1,509,065
Fund balances – Beginning of Fiscal Year	$17,597,970	$17,568,461	$18,241,277	$22,527,649	$24,180,971
Fund Balances at End of Year	$17,568,461	$18,241,276	$22,527,649	$24,180,971	$25,690,036

Source: City of El Centro.

General Fund Revenue Sources

Sales tax and property tax were the top two sources of revenue deposited in the City's General Fund for Fiscal Year 2019-20. The table below provides the amount of General Fund revenues that each source represents for the fiscal years shown. The City cannot predict the ultimate impacts on such revenues going forward as a result of the COVID-19 pandemic and potential related economic consequences; however, such impacts may be material and adverse. See "RISK FACTORS – COVID-19 Pandemic."

Table 3
City of El Centro
General Fund Tax Revenues

Revenue Source	**Actual FY 2018**	**Actual FY 2019**	**Actual FY 2020**	**% of General Fund Revenues**[1]	**~~Adopted Budget~~Projected Actual FY 2021**[2]	**% of General Fund Revenues**[1]
Sales Tax	$17,732,124	$18,740,665	$18,064,757	53%	$~~16,910,000~~ 19,106,000	~~53~~56%
Property Tax	3,634,531	3,757,327	3,977,671	12	~~3,880,000~~4,065,000	12
Motor Vehicle in Lieu	4,252,437	4,414,691	4,551,788	13	~~4,525,000~~4,719,000	14
Transient Occupancy Taxes	1,861,737	2,029,794	1,807,981	5	~~2,000,000~~1,830,000	~~6~~5
Charges for Services	848,953	727,046	714,401	2	~~918,200~~804,200	~~3~~2
Other	3,754,613	5,300,828	4,915,268	15	~~3,822,600~~3,824,735	~~12~~11
Totals	$32,084,395	$34,970,351	$34,031,866		$~~32,055,800~~ 34,348,935	

Source: City of El Centro.
(1) Rounded.
(2) Figures do not reflect the full economic impact of COVID-19 and revenue variances may be significant. See "RISK FACTORS – COVID-19 Pandemic."

Sales Taxes. A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City). The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution. In addition, many of California's cities, counties, and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location. Sales taxes represent the largest revenue source for the City's General Fund. In fiscal years 2017-18, 2018-19 and 2019-20 sales taxes amounted to $12,530,271, $13,088,813 and $12,842,770 (representing a 1.9% decrease), respectively. For the Fiscal Year ending June 30, 2021, sales taxes are projected to be approximately $13.4 million. See additional sales tax amounts received under the caption, "– Measure P Sales Tax" below.

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

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

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

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

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, or the complete or partial destruction of taxable property caused by, among other things, earthquake, flood or other natural disaster could cause a reduction in the assessed value of taxable property in the City. See also "LIMITATIONS ON REVENUES AND APPROPRIATIONS – Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)" and "– Article XIIIA Implementing Legislation."

Teeter Plan. The Board of Supervisors of the County adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" (the "Teeter Plan") on October 12, 1993, as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State of California. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The Board of Supervisors of the County, however, may discontinue this administrative practice at any time and there is no assurance that the County will continue to maintain this practice.

~~***Sales Taxes.*** A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City). The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution. In addition, many of California's cities, counties, and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location. Sales taxes represent the second largest revenue source for the City's General Fund. In fiscal years 2017-18, 2018-19 and 2019-20 sales taxes amounted to $12,530,271, $13,088,813 and $12,842,770 (representing a 1.9% decrease), respectively. For the Fiscal~~

~~Year ending June 30, 2021, sales taxes are projected to be approximately $13.4 million. See additional sales tax amounts received under the caption, "   Measure P Sales Tax" below.~~

Measure P Sales Tax

The City anticipates using a portion of the Measure P sales tax revenues to make the Lease Payments that will be used by the Authority to pay the principal of and interest on the Bonds. **Measure P sales tax revenues; however, are general sale tax revenues deposited into the City's General Fund and are not pledged as security for the payment of the principal of and interest on the Bonds.** See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

In November of 2016, El Centro residents approved Measure P, which increased the sales tax rate by ½ of 1% effective April 1, 2017. The purpose of the Measure P sales tax is to address major capital needs within the City, including the Library Project. The Measure P sales tax is a transaction and use tax paid in addition to, and as a percentage of the price of, tangible personal property. It is paid on retail transactions within the City in addition to and in the same manner as State sales tax and is imposed on retailers for the privilege of selling tangible personal property. The use tax is imposed in the same manner on the consumption of such personal property. The transactions and use tax does not apply to a transaction when the State sales tax does not apply. The Measure P sales tax will terminate without further action of the voters on June 30, 2047. Notwithstanding the termination of Measure P before the final maturity of the Bonds, the City expects to have sufficient General Fund revenues available to make all Lease Payments supporting the payment of the principal of and interest on the Bonds.

As of June 30, 2020, the Measure P fund balance was approximately $11.0 million. The City estimates that approximately $5.7 million of additional Measure P sale tax revenues will be received in Fiscal Year 2020-21. For the Fiscal Year ending June 30, 2021, Measure P sale tax revenues are projected to be approximately $5,681,000. In the next two fiscal years, Measure P sale tax revenues are projected to be approximately $6.1 million and $6.3 million, respectively.

Management Discussion

The City plans to position its finances in a manner that will allow it to meet the City's strategic goals and objectives of the City and to accomplish this within the parameters allowed by the economy. The City plans to continue to fund reserves and enforce revenue enhancement and cost containment measures. Of course, the City cannot predict the ultimate impacts on General Fund revenues as a result of the Pandemic. See "RISK FACTORS – COVID 19 Pandemic."

Fiscal Year 2019-20. In the fiscal year that ended on June 30, 2020, factors which positively contributed to the local economy included continued interest in commercial development throughout the City, plans for new residential development and multi-family units near the local Costco, with construction to begin in 2021, and with a more diverse local economy. Per capita sales during such fiscal year were 133% of the national averages.

Fiscal Year 2020-21. For fiscal year ending June 30, 2021, the City is projecting a budget surplus of approximately $1.6 million, notwithstanding the challenges relating to the COVID-19 pandemic ("Pandemic") and its related economic consequences. While the City did furlough some part-time employees in the past year, there were no reductions in permanent City employees as a result of the Pandemic. A positive factor for the local economy was the continued operation of ~~the regional mall~~essential businesses, with ~~its~~their proximity to the economy of Mexicali, Mexico and the continued inflow of consumers from that country.

American Rescue Plan. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (the "American Rescue Plan"), providing a COVID-19 related relief package of approximately $1.9 trillion. The American Rescue Plan includes $350 billion in economic relief to states, counties, and local governments. The City expects to receive approximately $14.1 million of this amount. Authorized uses of funds among others under the American Rescue Plan include funding of government services affected by revenue reductions resulting from the COVID-19 and investments in water~~ and~~, sewer and broadband infrastructure. Local governments cannot use American Rescue Plan funds to pay pensions. The City is having its accountants establish a separate fund to track and trace funds received under the American Rescue Plan. At this time, the City has not allocated is share of the American Rescue Plan funds and such amount is ~~[~~not~~]~~ included in the City's adjusted budget~~.~~ for the Fiscal Year ending June 30, 2021.

Certain City Policies and Practices

Financial Policies. The City adopted Financial Policies on October 7, 1998, and revised in 2014 and 2018 (the "Financial Policies") to ensure that the City's finances are managed in a manner which will, (i) continue to provide for the delivery of quality services, (ii) maintain and enhance service delivery as the community grows in accordance with the general plan, (iii) guarantee an annual balanced budget assuring that the City is always living within its means, and (iv) establish reserves necessary to meet known and unknown future obligations. To achieve these goals the Financial Policies include general policies, revenue policies, cost of growth policies, reserve policies, expenditure and budgeting policies, debt policies, and capital improvement policies. In particular, the Financial Policies call for the City to establish and maintain a General Fund reserve for economic uncertainties of not less than 10% of expenditures.

Debt Management Policy. The City adopted a Debt Management Policy on April 3, 2018 (the "Debt Policy") to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City, the Authority and its other related entities. According to the Debt Policy, the City recognizes that debt levels and their related annual costs are important long-term obligations that must be managed within available resources. The objective of the Debt Policy is to provide written guidelines and restrictions concerning the amount and type of debt and other financing obligations issued by the City and its related entities and the ongoing management of the debt portfolio. The Debt Policy is intended to improve the quality of decisions, assist with the determination of the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including a multi-year capital plan.

Investment Policy. In accordance with California Government Code, Sections 53600 through 53609, the City maintains a Statement of Investment Policy, which was effective on October 18, 2011 (the "Investment Policy"). The Investment Policy contains elements and guidelines on investing public funds, such as authorized and suitable investments, liquidity, authorized financial institutions and dealers, safekeeping and custody, diversification, internal controls and performance standards, and ethical and fiduciary responsibilities.

Pension Funding Policy. Like most municipalities, the City is facing rising pension costs and growing unfunded pension liabilities. On ~~________,~~April 6, 2021, the City adopted a pension~~ funding~~ policy. ~~[~~The pension ~~funding policy, among other things, provides guidance in making annual budget decisions and creating sustainable and affordable budgets for pension obligations.]~~policy establishes a funding priority to pay off unfunded CalPERS liability. The City previously established a trust under Section 115 of the Internal Revenue Code for the purpose of funding City obligations to CalPERS. See "– Pension Plans – *Public Agency Retirement Services Retirement Enhancement Plan* below."

Cybersecurity. The City provides training to its staff on phishing and safe browsing and how to avoid potential cyber threats. However, no assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat or breach. See "RISK FACTORS – Cybersecurity." Staff is currently developing a ~~formal policy regarding~~standard operating procedure that will include cybersecurity related matters specifically. The City adopted a policy on May 20, 2014 regarding use of external links from the City's website.

City Budget

Budget Process. In accordance with the Financial Policies, the City's goals when developing an annual budget are:

1. Follow the City's Strategic Plan which identifies community needs for essential services, activities and programs.

2. Identify and appropriate the resources required to perform program activities and accomplish program objectives.

3. Deliver services in the most cost effective manner, including utilizing the services of volunteers in areas where it is economically viable.

4. State the objectives of operating programs and identify the services and resources being provided to accomplish the specified objectives.

~~5.~~ Periodically update replacement and maintenance financing plans and incorporate them into the budget.

The City uses the following procedures when establishing the budgetary data reflected in its financial statements. The fiscal year of the City begins on the first day of July of each year and ends on the thirtieth day of June the following year. In June, the City Manager submits to the City Council the proposed budget during a public hearing. At the conclusion of the public hearing, the City Council reviews and considers the proposed budget and makes any revisions thereof that it deems advisable and on or before June 30 it adopts the budget with revisions, if any, by the affirmative vote of at least a majority of the total members of the City Council during a public meeting. At any public meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative vote of at least a majority of the total members of the City Council. The City Council must approve any amendments or supplements to the budget in excess of $50,000.

The City Council employs, at the beginning of each fiscal year, an independent certified public accounting firm which, at such time or times as specified by the City Council, at least annually, at such other times as such firm shall determine, examines the books, records, inventories and reports of all officers and employees who receive, control, handle or disburse public funds and of all such other officers, employees or departments as the City Council may direct. As soon as practicable after the end of the fiscal year, a report is submitted by such firm to the City Council and a copy of the financial statements as of the close of the fiscal year is published.

Adopted Budgets. The following table sets forth the City's adopted budget and actual General Fund revenues, expenditures and changes in fund balance for the Fiscal Year shown. The adopted budget is the original budget at the start of the new Fiscal Year. Throughout the year, budget changes may be authorized by City Council which increase or decrease the City's spending authority. Therefore, variances between the adopted budget and actual expenditures are common.

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TABLE 4
CITY OF EL CENTRO GENERAL FUND
COMPARISON OF ADOPTED BUDGET TO ACTUAL RESULTS

	Final Fiscal Year 2020 Budget	Fiscal Year 2020 Actual	Variance	Final 2021 Budget[(1)]
Revenues				
Taxes	$23,463,000	$24,650,046	$1,187,046	$23,552,000
Licenses and permits	366,500	299,970	(66,530)	346,600
Intergovernmental	6,651,659	6,738,296	86,637	5,805,000
Charges for services	822,306	714,401	(107,905)	918,200
Fines and forfeitures	91,500	47,633	(43,867)	68,000
Interest	265,000	340,253	75,253	~~155,000~~145,000
Other	1,178,000	1,241,267	63,267	1,211,000
Total Revenues	$32,837,965	$34,031,866	$1,193,901	$~~32,055,800~~32,045,800
Expenditures				
Current:				
General government	$ 3,575,216	$ 3,428,969	$ 146,247	$ 3,686,501
Public safety	17,035,682	13,062,175	3,973,507	17,740,793
Public works	1,391,131	1,389,688	1,443	1,950,204
Parks, recreation and culture	6,923,130	6,853,563	69,567	4,503,087
Community Development	2,233,559	1,975,223	258,336	2,028,088
Capital Outlay:	7,720,445	6,897,395	823,050	5,022,192
Total Expenditures	$38,879,163	$33,607,013	$5,272,150	$34,930,865
Excess (deficiency) of revenues over (under) expenditures	$(6,041,198)	$ 424,853	$6,466,051	$(~~2,875,065)~~2,885,065)
Other Financing Sources (Uses):				
Transfers in	2,726,232	2,584,212	(142.020)	1,178,924
Transfers out	(1,500,000)	(1,500,000)	-	-
Total Other Financing Sources (Uses)	$1,226,232	$1,084,212	$(142,020)	$1,178,924
Net Change in Fund Balances	$(4,814,966)	$ 1,509,065	$6,324,031	$(~~1,696,141~~1,706,141)
Fund Balances at Beginning of Year	$24,180,971	$24,180,971		$25,690,036
Fund Balances at End of Year	$19,366,005	$25,690,036	$6,324,031	$~~23,993,895~~23,983,895

Source: City of El Centro.
[(1)] The City currently projects higher General Fund revenues of approximately $34.3 million (see Table 3 above) and lower General Fund expenditures of approximately $33.1 million, with a fund balance at the end of the fiscal year of approximately $28.1 million.

Appropriations Limit

Section 7910 of the Government Code of the State requires the City to adopt a formal appropriations limit for each fiscal year. The City's appropriations limit for Fiscal Year 2020-21 is $41,396,375. The appropriations limit is not expected to have any impact on the ability of the City to budget and appropriate the 2021A Base Rental Payments and Additional Rental Payments as required by the Lease.

Assessed Valuation

The City's second largest revenue source, property tax, is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (moveable property) located within the City. The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the California Department of Tax and Fee Administration (the "CDTFA"). Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution. See " – Limitations on Taxes and Appropriations" below. Certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

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

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The following table sets forth a summary of the City's assessed valuations for the ten fiscal years shown.

Table 5
Property Ad Valorem Tax Assessed Values[(1)]
Fiscal Years Ended June 30, 2011 to 2020

Fiscal Year	Total Assessed Value[(2)]	County Tax Rate Per $100	City Portion of Assessed Value	City Tax Rate	City Tax Levy
2011	$2,103,422,232	1.000	$1,471,969,889	0.208%	$3,056,868
2012	2,036,731,983	1.000	1,431,557,030	0.210	2,999,316
2013	2,013,469,116	1.000	1,398,499,071	0.210	2,940,201
2014	2,003,429,040	1.000	1,404,870,048	0.211	2,959,121
2015	2,022,063,289	1.000	1,423,277,054	0.212	3,011,823
2016	2,173,973,430	1.000	1,559,437,960	0.210	3,277,875
2017	2,280,920,814	1.000	1,629,348,747	0.209	3,397,728
2018	2,377,628,281	1.000	1,706,086,033	0.220	3,752,344
2019	2,484,436,442	1.000	1,782,565,134	0.216	3,852,841
2020	2,559,061,766	1.000	1,840,573,973	0.217	3,993,304

Source: Imperial County Auditor/Controller's Office.
(1) Estimated Actual Value of Taxable Property is not available since passage of Proposition 13 in 1978. Property assessed values may rise only to a maximum of 2% per year unless there is new construction or when the property is sold. Consequently, estimated values are not available.
(2) "Assessed Value" means 100% of full taxable value.

Principal Property Taxpayers

The following table sets forth the top ten taxpayers in the City by taxable assessed value.

Table 6
CITY OF EL CENTRO
Top Ten Taxpayers

	Taxpayer	Assessed Value	Percent of Total AV	Description of Primary Business Use
1.	IV Plaza LLC (RJFP LLC)	$ 54,255,582	2.12%	Retail
2.	Imperial Valley Mall II, LP	49,307,607	1.93	Retail/ Prof. Offices
3.	RJ Development Co. LLC	22,374,043	0.87	Prof. Offices
4.	Wal-Mart Stores Inc.	21,243,753	0.83	Retail
5.	PMB EL CENTRO LLC	17,606,272	0.69	Retail/ Prof. Offices
6.	Town Center Courtyard	17,606,272	0.69	Multi-Family Units
7.	Target Corporation	15,048,303	0.59	Retail
8.	El Centro Miraflores LP	12,500,000	0.49	Multi-Family Units
9.	Lakeside Investment LLC	12,202,329	0.48	Auto Dealership
10.	EG P CH EL Centro LLC	11,800,000	0.46	Prof. Offices
Top Ten Total		$233,944,161		

Source: Imperial County Assessor's Office.

Direct and Overlapping Debt

Set forth on the following table is a direct and overlapping debt report (the "Debt Report") for the City prepared by California Municipal Statistics, Inc., dated as of March 1, 2021. The Debt Report is included for general information purposes only. The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

TABLE 7
CITY OF EL CENTRO
Statement of Direct and Overlapping Debt
March 1, 2021

2020-21 Assessed Valuation: $2,909,763,975

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/21
Imperial Community College District	21.498%	$26,335,645
Central Union High School District	70.673	20,887,405
El Centro School District	92.691	13,590,031
McCabe Union School District	68.170	4,753,682
Meadows Union School District	61.957	3,657,913
El Centro School District Maintenance Assessment District	99.405	159,048
City of El Centro Community Facilities District No. 2007-1	100.	1,135,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$70,518,724
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Imperial County Certificates of Participation	20.957%	$ 1,185,118
Imperial County Pension Obligation Bonds	20.957	4,469,080
Imperial County Office of Education General Fund Obligations	20.957	1,543,996
City of El Centro General Fund Obligations	**100.**	**9,575,000** (1)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$16,773,194
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$23,340,000
COMBINED TOTAL DEBT		$110,631,918 (2)

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.42%
Combined Direct Debt ($9,575,000)	**0.33%**
Combined Total Debt	3.80%

Ratios to Redevelopment Successor Agency Incremental Valuation ($764,499,294):

Total Overlapping Tax Increment Debt	3.05%

Source: California Municipal Statistics, Inc.

Long-Term Obligations

The following obligations payable from the City's General Fund are identified in the City's audited financial statements for the Fiscal Year ended June 30, 2020.

Long-Term Obligation	Balance at July 1, 2019	Additions	Reductions	Principal Balance June 30, 2020	Due within one Year
Compensated absences	$ 2,287,469	$1,086,303	(958,471)	$ 2,415,301	$ 928,931
Advances from Successor Agency	9,413,455	-	-	9,413,455	-
Unamortized premiums	734,925	-	(115,989)	618,936	115,989
Net OPEB	(1,563,744)	-	(976,459)	(2,540,203)[(1)]	-
Lease Revenue Bonds	10,625,000	-	(500,000)	10,125,000	550,000
Unamortized discount	(142,357)	-	11,891	(130,466)	(11,616)
Revenue Bonds	5,210,000	-	(820,000)	4,390,000	840,000
Unamortized discount	(74,881)	-	11,818	(63,063)	(11,818)
Net Pension liability	40,976,487	7,743,657	(6,831,087)	41,889,057	
Total	$67,466,354	$8,829,960	(10,178,297)	$66,118,017	$2,411,486

Source: City of El Centro.
[(1)] Balance presented as "Net OPEB Asset" in Statement of Net Position. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR THE FISCAL YEAR ENDING JUNE 30, 2020 – Note 8 Long-Term Debt."

Labor Contracts

The following table sets forth the current status of the employment contracts, as applicable, for the City's employee groups. The City has not experienced a labor stoppage during the past thirty-six years and has generally experienced good relations with each employee group.

Unit	Budgeted Number of Employees	Date of Contract Expiration
Contract Employees	11	Continuous
Supervisor, Professional and Technical Employees	12	12/31/2021
Unrepresented Confidential Employees	7	12/31/2021
General Employees Unit	87	12/31/2021
Unrepresented Fire Safety Management Employees	3	12/31/2021
Police Sergeants Association Unit	8	12/31/2021
El Centro Firefighters Association	31	12/31/2021
Police Officers Association	33	12/31/2021
Certified Water Treatment Plant Operators, Certified Wastewater Treatment Plant Operators and Certified Water Distribution Operators/Sewer	31	12/31/2021
Unrepresented Management Employees	4	12/31/2021
Unrepresented Police Management	2	12/31/2021
Total	229	

Source: City of El Centro.

Pension Plans

California Public Employees' Retirement System. All qualified employees are eligible to participate in the City's separate Miscellaneous (all other) and Safety (police and fire) plans (the "Plans"), cost-sharing and agent multiple-employer defined benefit pension plans, respectively, administered by the California Public Employees' Retirement System ("CalPERS"), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	155	137
Inactive employees entitled to but not yet receiving benefits	186	82
Active employees	117	123
Total	458	342

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law (the "Retirement Law").

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	CalPERs			
	City Miscellaneous		City Safety	
Hire date	Prior to July 1, 2013	On or after July 1, 2013	Prior to July 1, 2013	On or after July 1, 2013
Benefit formula	2.5% @ 55	2% @ 62	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%	3%	2.0% to 2.7%
Required employee contribution rates	7.00%	7.00%	9.00%	12.25%
Required employer contribution rates	10.283%	10.283%	58.458%	12.25%

Net Pension Liability. The City's net pension liability for each Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of each of the Plans are measured in Appendix B as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30-14.20%(1)	3.30-14.20%(1)
Investment Rate of Return	7.375%(2)	7.375%(2)
Mortality		

(1) Depending on age, service and type of employment.
(2) Net of pension plan investment expenses, including inflation.

See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR FISCAL YEAR ENDED JUNE 30, 2020" at Note 15 for a more detailed description of net pension liability.

Contributions. Section 20814(c) of the Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is without reduction of pension plan administrative expenses and will be applied to all plans in the Public Employees Retirement Fund ("PERF"). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR FISCAL YEAR ENDED JUNE 30, 2020" at Note 15 for asset allocation and return information.

Funding Status. The following measure of funded status by CalPERS as of July 2020 is an assessment of the need for future employer contributions based on the actuarial cost method used to fund the plan. The Unfunded Accrued Liability ("UAL") is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The City's required UAL payment contributions for 2021-22 for its Miscellaneous Plan is $1,463,446 and $2,497,658 for its Safety Plan.

The following tables set forth the valuation results as of June 30, 2019.

Miscellaneous Plan

		June 30, 2018	June 30, 2019
1.	Present Value of Projected Benefits	$92,117,076	$97,051,027
2.	Entry Age Normal Accrued Liability	81,135,271	85,164,395
3.	Market Value of Assets	63,790,572	66,484,034
4.	Unfunded Accrued Liability (UAL) [(2) – (3)]	$17,344,699	$18,680,361
5.	Funded Ratio [(3) / (2)]	78.6%	78.1%

Source: CalPERS July 2020 Valuation.

Safety Plan

		June 30, 2018	June 30, 2019
1.	Present Value of Projected Benefits	$122,066,745	$125,459,049
2.	Entry Age Normal Accrued Liability	110,053,111	113,807,836
3.	Market Value of Assets	78,458,449	80,528,086
4.	Unfunded Accrued Liability (UAL) [(2) – (3)]	$ 31,594,662	$ 33,279,750
5.	Funded Ratio [(3) / (2)]	71.3%	70.8%

Source: CalPERS July 2020 Valuation.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	$27,618,671	$46,243,073
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$16,642,569	$30,660,642 [confirm]
1% Increase	8.15%	8.15%
Net Pension Liability	$7,570,485	$17,885,490

Public Employees' Pension Reform Act ("PEPRA"). On September 12, 2012, Governor Brown signed Assembly Bill 340, creating PEPRA. Among other things, PEPRA creates a new benefit tier for new employees/members entering public agency employment and public retirement system membership for the first time on or after January 1, 2013. The new tier has a single general member benefit formula and three safety member benefit formulas that must be implemented by all public agency employers unless the formula in existence on December 31, 2012 has both a lower normal cost and a lower benefit factor at normal retirement age. PEPRA requires that all new employees/members, hired on or after January 1, 2013, pay at least 50% of the normal cost contribution. The normal cost contribution is the contribution set by the retirement system's actuary to cover the cost of a current year of service. ~~Approximately __% of City employees are under PEPRA.~~ The City believes that the provisions of PEPRA will help to control its pension benefit liabilities in the future. See APPENDIX B – "AUDITED

FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR FISCAL YEAR ENDED JUNE 30, 2020" at Note 15.

Public Agency Retirement Services Retirement Enhancement Plan. The City has established the Public Agency Retirement System ("PARS") Post-Employment Benefits Trust (the "Trust") as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Code to accumulate resources to "stabilize" the amount of its General fund resources that it will need to meet future contribution requirements to CalPERS. The balances and activities of the Trust are irrevocably dedicated to funding future obligations to CalPERS. The assets will benefit the City through reduced future cash flow demands on the City~~'~~'s General ~~fund~~Fund resources and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General ~~fund~~Fund and are irrevocably dedicated to funding future obligations to CalPERS. As of February 28, 2021, the balance in the Trust was approximately $1.8 million.

Other Post-Employment Benefits

The City provides other postemployment benefits ("OPEB") for health and dental care benefits, as required by the various collective bargaining agreements for retirees that meet certain criteria. The OPEB plan is a single-employer defined healthcare plan administered by the City. The City provides postretirement health, dental, vision, and life insurance benefits, as provided for in various collective bargaining agreements for retirees that meet certain criteria. The City pays 100 percent of the employee's premium for benefit coverage for qualifying management employees and elected & contract employees until age 65 and a portion of the employee's premium for qualifying non-management employees. At June 30, 2020, 288 employees were covered by the OPEB plan. For the fiscal year ended June 30, 2020, the total contribution made was $282,984. Fifty retired employees received OPEB benefits during such fiscal year. For additional information regarding the OPEB plan and its funding status, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR FISCAL YEAR ENDED JUNE 30, 2020" at Note 14. ~~As of February 28, 2021, approximately $1.8 million was on deposit in the City's 115 trust for OPEB benefits.~~

STATE OF CALIFORNIA BUDGET INFORMATION

State Budget

General. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, *www.dof.ca.gov*, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. The information referred to is prepared by the respective State agency maintaining each website and not by the City or the Authority, and the City and the Authority can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references. Actions by the State, including through its budget process may have material impacts on the City's operations and finances.

Proposed 2021-22 State Budget. On January 8, 2020, Governor Newsom released California's Proposed Fiscal Year 2021-22 State Budget (the "Proposed 2021-22 State Budget"). The Proposed 2021-22 State Budget totals about $227 billion, increasing only slightly over the 2020-21 State Budget. General Fund spending would increase by about $8.6 billion (5.5%) to $164.5 billion. The Proposed

2021-22 State Budget reflects an improved outlook since the 2020-21 State Budget, based on revenues that outperformed earlier projections following the COVID-19 pandemic. The State is projected to end the Fiscal Year 2020-21 with available general fund reserves that include: $15.6 billion in the Budget Stabilization Account (the General Fund's "rainy-day" fund) for fiscal emergencies; $450 million in the Safety Net Reserve (used to maintain benefits and services for CalWORKs and Medi-Cal participants during economic downturns) and $3 billion in the Public School System Stabilization Account (the Proposition 98 "rainy-day" fund used to lessen the impact of State revenue volatility on K-14 schools). Despite some improvement over the prior year, expenditures are projected to grow faster than revenues, with a structural deficit of about $7.6 billion projected for Fiscal Year 2022-23 that is forecast to grow to over $11 billion by 2024-25.

The Proposed 2021-22 State Budget indicates that the revenue forecast was finalized prior to the passage of the December 2020 federal stimulus bill, expected to provide about $106 billion allocable to State and other governmental services, as well as California residents and businesses. The Governor's May Revision to the Proposed 2021-22 State Budget will include a revised revenue forecast that will reflect this federal assistance. [update if May Revision is available by posting]

Future State Budgets

No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

RISK FACTORS

Purchase of the 2021A Bonds will constitute an investment subject to certain risks, including the risk of nonpayment of principal and interest. Before purchasing any of the 2021A Bonds, prospective investors should carefully consider, among other things, the risk factors described below. However, the following is not meant to be an exhaustive listing of all the risks associated with the purchase of the 2021A Bonds. Moreover, the order of presentation of the risk factors does not necessarily reflect the order of their importance.

2021A Base Rental Payments Are Not Debt; 2021A Bonds are Limited Obligations

The obligation of the City to make the 2021A Base Rental Payments under the Lease 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. Neither the 2021A Bonds nor the obligation of the City to make 2021A Base Rental Payments constitutes a debt of the City, the State or any political subdivision thereof (other than the Authority) within the meaning of any constitutional or statutory debt limitation or restriction.

The 2021A Bonds are not general obligations of the Authority, but are limited obligations payable solely from and secured by a pledge of Revenues and amounts held in the funds and accounts created under the Indenture, consisting primarily of applicable 2021A Base Rental Payments. The Authority has no taxing power.

The 2021A Bonds are being issued by the Authority pursuant to the Act. The Supreme Court of the State in its 1998 decision of *Rider v. City of San Diego,* 18 Cal. 4th 1035, upheld the validity of a joint powers agency financing and found that bonds issued pursuant to the Act and payable from lease payments made pursuant to a lease with the City of San Diego were not subject to the State constitutional provisions that require two-thirds voter approval of indebtedness incurred by a city, county or school district. No voter approval of the 2021A Bonds or the Lease has been sought.

Although the Lease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Lease to pay the 2021A Base Rental Payments from any source of legally available funds and the City has covenanted in the Lease that, for so long as the Leased Property is available for its use, it will make the necessary annual appropriations within its budget for the 2021A Base Rental Payments. The City is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the 2021A Base Rental Payments, or which the City, in its discretion, may determine to pay prior to the 2021A Base Rental Payments.

The City has the capacity to enter into other obligations payable from the City's General Fund, without the consent of or prior notice to the Owners of the 2021A Bonds. To the extent that additional obligations are incurred by the City, the funds available to make 2021A Base Rental Payments may be decreased. If the City's revenue sources are less than its total obligations, the City could choose to fund other activities before making 2021A Base Rental Payments and other payments due under the Lease. The same result could occur if state constitutional expenditure limitations were to prohibit the City from appropriating and spending all of its otherwise available revenues.

Abatement

The obligation of the City to pay 2021A Base Rental Payments and Additional Rental Payments shall be abated during any period in which by reason of any damage, destruction, condemnation or title defect there is substantial interference with the use by the City of the Leased Property or any portion thereof. Such abatement shall be in an amount such that the resulting 2021A Base Rental Payments in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or title defect does not substantially interfere with the City's use and right of possession, as evidenced by a Certificate of the City. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation, taking or title defect and, with respect to damage to or destruction of the Leased Property, ending with the substantial completion of the work of repair or replacement of the Leased Property, or the portion thereof so damaged or destroyed, and the term of the Lease shall be extended as provided in the Lease. Notwithstanding the foregoing, to the extent that moneys are available for the payment of base rental payments in any of the funds and accounts established under the Indenture, such base rental payments shall not be abated but shall be payable by the City as a special obligation payable solely from such funds and accounts. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – The Lease – Abatement of Rental."

Risk of Uninsured Loss

The City covenants under the Lease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to earthquake or other casualty for which the Leased Property is uninsured. The Lease does not require earthquake insurance. Additionally, the Leased Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of 2021A Base Rental Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City's liability will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Leased Property will be sufficient to repair the Leased Property or to redeem the 2021A Bonds secured by 2021A Base Rental Payments.

City General Fund

In General. The 2021A Base Rental Payments and other payments due under the Lease are payable from funds lawfully available to the City. If the amounts which the City is obligated to pay in a fiscal year exceed the revenues for such year, the City may choose to make some payments rather than making other payments, including 2021A Base Rental Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. For more information regarding California Constitutional limits on expenditures see "LIMITATIONS ON REVENUES AND APPROPRIATIONS – Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)."

Risk of Increased Expenditures. Under the Lease, provided the City is not currently in default thereunder, the City is permitted to expend for any municipal purpose or otherwise incur other evidences of indebtedness or other obligations payable from the City's General Fund without the consent of Owners of the 2021A Bonds. To the extent that additional obligations are incurred by the City, the funds available to pay 2021A Base Rental Payments could decrease.

Risk of Decreased Revenues. A variety of national, state or regional factors, which are beyond the control of the City's fiscal policies, as well as the City's fiscal policies could reduce the amount of the City's General Fund revenues. To the extent that City revenues decrease, the funds available to pay 2021A Base Rental Payments could decrease. See "THE CITY."

COVID-19 Pandemic

The Pandemic is currently affecting many parts of the world, including the United States and California. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, and then President Trump declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 4, 2020, the Governor of California (the "Governor") proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. In addition to the actions by the state and federal officials, certain local officials have declared a local state of emergency and have issued "shelter-in-place" orders. Many of these federal, state and local actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy. The City's business operations to date have not been materially curtailed by employee absences related to the Pandemic. The City offers no assurances, however, that City Council member or employee absences due to COVID 19 illnesses will not materially and adversely impact its operations.

[insert current orders and vaccination developments before posting]

The Pandemic has negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the City. While federal and state governments (including California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, the City offers no assurances that these interventions will have the intended effects. These negative economic impacts may reduce or otherwise negatively affect revenues to the City's General Fund and result in unexpected increases in expenditures. See "THE CITY – Management Discussion." The City cannot predict the magnitude of these impacts on such revenues, but the impacts could be materially adverse.

The financial and operating data contained in this Official Statement are in many instances as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City. The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the overall potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could lead to additional or modified public health restrictions and have an adverse effect on the City's operations and financial condition, and the effect could be material. Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current disruption to the national and global economies, will increase at least over the near term, recovery may be prolonged and, therefore, may have an adverse impact on the City's finances.

Bankruptcy

A bankruptcy petition may be filed by the City. In particular, the City may file a petition under Chapter 9 ("Chapter 9") of Title 11 of the United States Code (the "Bankruptcy Code"), provided that it complies with requirements of Section 53760 *et seq.* of the Government Code of the State. Under the Government Code, a local public entity, including the City, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

If the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of the 2021A Base Rental Payments under the Lease as they relate to Revenues due to Owners of 2021A Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of

2021A Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease or assume the Lease despite any provision of the Lease which makes the bankruptcy or insolvency of the City an event of default thereunder. If the City rejects the Lease, the Trustee, on behalf of the Owners of the 2021A Bonds, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the 2021A Bonds. Moreover, such rejection would terminate the Lease and the City's obligations to make payments thereunder.

Further, the Authority is a public agency and, like the City, is not subject to the involuntary procedures of the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. In the event the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have priority of payment superior to that of the Owners of the 2021A Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the 2021A Bonds, which plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable. However, the bankruptcy of the Authority, and not the City, should not affect the Trustee's rights under the Lease. The Authority could still challenge the assignment, and the Trustee and/or the Owners of the 2021A Bonds could be required to litigate these issues in order to protect their interests.

The adjustment plans approved by the Bankruptcy Courts in connection with the bankruptcies of the cities of Vallejo, San Bernardino and Stockton resulted in significant reductions in the amounts payable by the cities under lease revenue obligations substantially identical or similar to the 2021A Bonds. The City can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any adjustment plan if it were to file for bankruptcy.

The various legal opinions to be delivered concurrently with the 2021A Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various agreements relating to the 2021A Bonds by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

State Finances

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been breached in the past. In November 2010, the voters of the State passed Proposition 25, which reduced the vote required to adopt a budget to a majority vote of each house and which provided that there would be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented late to the Governor. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

The State's financial condition and budget policies affect communities and local public agencies throughout California. State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations. Some of the State's budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs).

Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, *www.dof.ca.gov*. An analysis of the budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

No Liability of Authority to the Owners

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Owners of the 2021A Bonds with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Lease or the Indenture, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

No Limitation on Incurring Additional Obligations

Neither the Lease nor the Indenture contains any limitations on the ability of the City to enter into other obligations that may constitute additional claims against its General Fund revenues. To the extent that the City incurs additional obligations, the funds available to make 2021A Base Rental Payments may be decreased. The City is currently liable on other obligations payable from General Fund revenues and expects to enter into other such obligations in the future. Such obligations may impose significant additional burdens on the City's General Fund.

Natural Disasters

General. From time to time, the City is subject to natural calamities which could result in the substantial interference with the use and occupancy of the Leased Property, which could result in 2021A Base Rental Payments being subject to abatement or an adverse impact on the City's General Fund. Under such circumstances, no assurance can be given that the City would have insurance or other resources available to make repairs to the Leased Property or to make 2021A Base Rental Payments under the Lease.

Geological and Seismic. The Leased Property is located within the Imperial Valley portion of the Salton Trough, the dominant landform within the County. The Salton Trough encompasses the Coachella, Imperial and Mexicali valleys and extends north from the Gulf of California. The geologic structure of the trough is a result of an evolving "rift" in the earth's crustal plates. Non-marine and alluvium sediments cover large portions of the area. The Imperial Valley is drained by an 8,360 square mile watershed, which eventually empties into the Salton Sea.

The State of California, including the Imperial Valley and the City, are located in seismically active regions and subject to seismic events with related concerns of ground shaking, liquefaction and landslides. Subsidence, a phenomenon associated with groundwater withdrawal, can occur in the Imperial Valley as a result of geothermal operations; however, the potential is considered low to moderate on the Imperial Valley floor under current hydrological conditions. The most noteworthy of the numerous active faults traversing the Salton Trough is the San Andreas Fault. The other two major northwest-trending fault zones bounding the Trough are the San Jacinto Fault on the northwest and the Elsinore Fault on the southwest.

The City is particularly susceptible to strong ground shaking and significant earthquake damage from liquefaction, land subsidence and ground lurching. Historically, the Imperial Valley is a seismically active area associated with numerous earthquakes registering from point 4.3 and 6.6 on the Richter scale. There are no assurances, however, that a future earthquake will be limited to this range in the Richter scale. The Leased Property could also be subjected to moderate to severe ground shaking in the event of an earthquake on any of the faults in the southern California and northern Baja California area.

Should an earthquake occur that results in substantial interference with the use of the Leased Property, under the abatement provisions of the Lease, the City would not be obligated to make the Base Rental Payments. See "RISK FACTORS – Abatement" above.

Wildfires. In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of homes. Fires may cause damage to the Leased Property, which could result in 2021A Base Rental Payments being subject to abatement or an adverse impact on the City's General Fund.

Hazardous Substances

The public works activities of the City may, from time to time, result in the use of hazardous substances on the facilities owned and operated by the City, including, but not limited, to the Leased Property. Accordingly, it is possible that spills, discharges or other adverse environmental consequences of such use in the future could cause an adverse effect on the fair rental value of the Leased Property and lead, in an extreme case, to abatement, in whole or in part, of all or a portion of the 2021A Base Rental Payments. See "RISK FACTORS – Abatement" above.

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the City is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The City provides training to its staff on phishing and safe browsing and how to avoid potential cyber threats. However, no assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat or breach.

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, wildfires will become more common and intense, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. The City cannot predict what impacts climate change will ultimately have on its finances and operations in the future. Such impacts could be material and adverse.

Future Initiatives

From time to time, other initiative measures may be adopted, which may affect the City's revenues and its ability to expend said revenues. The above-mentioned measures and any future measures could restrict the City's ability to raise additional funds for its General Fund.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the 2021A Bonds and the Trustee, and the obligations incurred by the Authority and the City, respectively, may be subject to the following, among others: the limitations on legal remedies against joint powers authorities and cities in California; the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; principles of equity that may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the U.S. Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2021A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. See also, "– Bankruptcy" above.

Remedies on Default

If an Event of Default occurs and is continuing under the Lease, the Authority at its option may terminate the Lease and re-lease all or any portion of the Leased Property. The City irrevocably appoints the Authority under the Lease as the agent and attorney-in-fact of the City and the City will allow the Trustee to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default, other than as described in the preceding paragraph. The Authority may take whatever action at law or in equity may appear necessary or desirable, to collect each Base Rental Payment as it becomes due under the Lease, if the Lease is not terminated in accordance with its terms. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS."

Substitution of Property

Pursuant to the Lease, the City will have, so long as the Lease is in effect, the option at any time and from time to time, to substitute other real property for any portion of the Leased Property or release any identifiable real property and/or improvements constituting the Leased Property, provided that the City shall satisfy all of the requirements set forth in the Lease. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS – The Lease – Substitution and Release of Property."

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the 2021A Bonds, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

LIMITATIONS ON REVENUES AND APPROPRIATIONS

There are a number of provisions in the State of California Constitution that limit the ability of the City to raise and expend revenues. Contained below is a description of some of these limitations. In addition to the ones discussed in this section below, other initiative measures could be adopted from time to time further affecting the City's revenues and finances.

Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)

Article XIIIA of the California Constitution limits the amounts of *ad valorem* tax on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the City Assessor's valuation of real property as shown on the 1975-76 tax bill under `full cash value', or thereafter the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment period." Furthermore, all real property valuation may be increased to reflect the inflation rate, as shown by the consumer price index, not to exceed 2% per year, or may be reduced in the event of declining property values caused by damage, destruction or other factors.

Article XIIIA exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voters voting on the proposition approving such bonds, and requires a vote of two-thirds of the qualified electorate to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. In addition, Article XIIIA requires the approval of two-thirds of all members of the State legislature to change any State tax law resulting in increased tax revenues.

Article XIIIB of the California Constitution limits the annual appropriations from the proceeds of taxes of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the governmental entity. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax or fee schedules over the subsequent two years.

On November 5, 1996, California voters approved an initiative to amend the California Constitution known as the Right to Vote on Taxes Act ("Proposition 218"), which added Article XIIIC and XIIID to the California Constitution. Among other provisions, Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include cities. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995 and prior to November 6, 1996 will continue to be imposed only if approved by a majority vote in an election held within two years of November 6, 1996. Proposition 218 also provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. This extension of the initiative power is not limited by the terms of Proposition 218 to impositions after November 6, 1996 and absent other legal authority, could result in retroactive reduction in any existing taxes, assessments, fees and charges. In addition, Proposition 218 limits the application of assessments, fees and charges and requires certain existing, new and increased assessments, fees and charges to be submitted to property owners for approval or rejection, after notice and public hearing. Neither the City nor the Authority expects the provisions of Proposition 218 to have any immediate material effect on the revenues from which Base Rental Payments are expected to be appropriated.

Article XIIIA Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIIIA (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax, except to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIIIA of $4.00 per $100 assessed valuation (based on the traditional practice of using 25% of full cash value as the assessed value for tax purposes). The legislation further provided that, for Fiscal Year 1978-79 only, the tax levied by each county was to be appropriated among all taxing agencies within the county in proportion to their average share of taxes levied in certain previous years.

Future assessed valuation growth allowed under Article XIIIA (i.e., new construction, change of ownership, and 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The Authority is unable to predict the nature or magnitude of future revenue sources that may be provided by the State to replace lost property tax revenues. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above those described above, even with the approval of the affected voters.

Challenges to Article XIIIA

There have been many challenges to Article XIIIA of the California Constitution. The United States Supreme Court heard the appeal in *Nordlinger v. Hahn*, a challenge relating to residential property. Based upon the facts presented in Nordlinger, the United States Supreme Court held that the method of property tax assessment under Article XIIIA did not violate the federal Constitution. Neither the Authority nor the City can predict whether there will be any future challenges to California's present system of property tax assessment and cannot evaluate the ultimate effect on the Agency's receipt of tax increment revenues should a future decision hold unconstitutional the method of assessing property.

Statutory Revenue Limitations – Proposition 62

Proposition 62 is a statewide statutory initiative adopted by the voters at the November 4, 1986 general election. It added Sections 53720 to 53730 to the Government Code to require that all new local taxes be approved by the voters. The statute provides that all local taxes are either general taxes or special taxes. General taxes are imposed for general governmental purposes. Special taxes are imposed for specific purposes only. General taxes may not be imposed by local government unless approved by a two-thirds vote of the entire legislative body and a majority of the voters voting on the proposed general tax. Special taxes may not be imposed by local government unless approved by a majority of the entire legislative body and by two-thirds of the voters voting on the special tax. Soon after Proposition 62 was adopted by the voters, legal challenges to taxes adopted contrary to its provisions were filed. In 1991, in the most significant case, *City of Woodlake v. Logan*, the California Court of Appeal held that the statutory voter approval requirement for general taxes was unconstitutional. The California Supreme Court refused to review *Woodlake*.

On September 28, 1995, the California Supreme Court, on a 5-2 vote, in a decision entitled *Santa Clara County Local Transportation Authority v. Guardino* (Case No. S036269), "disapproved" Woodlake and held that the voter approval requirements of Proposition 62 are valid. On December 14, 1995, the Supreme Court made minor nonsubstantive changes to its written opinion and denied the petition for rehearing. The decision provides that the voter approval requirements of Proposition 62 for both general and special taxes are valid. The *Guardino* case fails to say (1) whether the decision is retroactively applicable to general taxes adopted prior to the decision; (2) whether taxpayers have any remedies for refund of taxes paid under a tax ordinance that was not voter approved; (3) what statute of limitations applies to taxes adopted without voter approval prior to *Guardino*; (4) whether Proposition 62 applies only to new taxes or to tax increases as well.

The Court of Appeals in a December 15, 1997 decision entitled *McBearty v. City of Brawley* (Case No. D027877) addressed some of these issues. In Brawley, a taxpayer challenged the city's utility tax that was passed by the city council in 1991 without a vote of the electorate. The Court of Appeals held that (i) a three year statute of limitations applies to challenges to a tax ordinance subject to Proposition 62; and (ii) the statute of limitations did not begin to run until September 1995 when the *Guardino* case determined that Proposition 62 was constitutional. The effect of the holding in Brawley is that any tax ordinances passed between November 1986 and December 1995 that were not approved by the electorate would be subject to a challenge until December 1998. The court ordered the city to either cease collecting the tax or seek voter approval to continue levying the tax. However, in *Howard Jarvis Taxpayers Association v. City of La Habra*, decided on June 4, 2001, the California Supreme Court overruled part of *McBearty*, finding that the three year statute of limitations applicable to such taxes does not run from the date of the *Guardino* decision, but rather the continued imposition and collection of such tax is an ongoing violation, upon which the limitations period begins with each new collection.

Several questions raised by the *Guardino* decision remain unresolved. Proposition 62 provides that if a jurisdiction imposes a tax in violation of Proposition 62, the portion of the one percent general *ad valorem* tax levy allocated to that jurisdiction is reduced by $1 for every $1 in revenue attributable to the improperly imposed tax for each year that such tax is collected. The practical applicability of this provision has not been fully determined. Potential future litigation and legislation may resolve some or all of the issues raised by the *Guardino* decision.

Neither the Authority nor the City can predict the outcome of any pending or future litigation concerning the validity of Proposition 62, nor can either predict the scope of the *Guardino* or *McBearty* decisions discussed above. Proposition 62 could affect the ability of the City to continue the imposition of, or to retain, certain taxes, and restrict the City's ability to raise revenue.

Proposition 1A

Proposition 1A ("Proposition 1A"), proposed by the Legislature in connection with the 2004-05 Budget Act and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues such as the tax shifts permitted to take place in Fiscal Years 2004/05 and 2005-06. Proposition 1A provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Such a shift may not occur more than twice in any ten-year period. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A provides that if the State reduces the vehicle license fee ("VLF") rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for state-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26

On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. Neither the City nor the Authority expects provisions of Proposition 26 to materially impede the City's ability to pay Base Rental Payments when due.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the CDTFA ("Unitary Property"), commencing with the 1988-89 fiscal year, will be allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the CDTFA. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

TAX MATTERS

General

The delivery of the 2021A Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the 2021A Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the 2021A Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The delivery of the 2021A Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State, that interest on the 2021A Bonds is exempt from personal income taxes of the State. A form of Bond Counsel's anticipated opinion is included as APPENDIX F—FORM OF OPINION OF BOND COUNSEL. The statutes, regulations, rulings, and court decisions on which such opinion will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the Authority and the City made in a certificate of even date with the initial delivery of the 2021A Bonds (the "Tax Certificate") pertaining to the use, expenditure and investment of the proceeds of the 2021A Bonds and will assume continuing compliance with the provisions of the Indenture by the Authority subsequent to the issuance of the 2021A Bonds. The Indenture and the Tax Certificate contain covenants by the Authority and the City with respect to, among other matters, the use of the proceeds of the 2021A Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the 2021A Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the 2021A Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the 2021A Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the 2021A Bonds. Prospective purchasers of the 2021A Bonds should be aware that the ownership of tax-exempt obligations such as the 2021A Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinions are not a guarantee of a result, but represent its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Authority and the City described above. No ruling has been sought from the Internal Revenue Service (the "Service") or the State with respect to the matters addressed in the opinions of Bond Counsel, and Bond Counsel's opinions are not binding on the Service or the State. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the 2021A Bonds is commenced, under current procedures, the Service is likely to treat the Authority as the "taxpayer," and the owners of the 2021A Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the 2021A Bonds, the Authority may have different or conflicting interests from the owners of the 2021A Bonds. Public awareness of any future audit of the 2021A Bonds could adversely affect the value and liquidity of the 2021A Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to owners of the 2021A Bonds of the exclusion of interest on the 2021A Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the 2021A Bonds. Prospective purchasers of the 2021A Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain 2021A Bonds

The initial public offering of certain of the 2021A Bonds (the "Discount Bonds") may be less than the amount payable on such 2021A Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the 2021A Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the 2021A Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued original issue discount on Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain 2021A Bonds (the "Premium Bonds") may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the 2021A Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LITIGATION

There is no controversy of any nature now pending against the City or the Authority or, to the knowledge of their respective officers threatened, seeking to restrain or enjoin the sale, execution, issuance or delivery of the 2021A Bonds or in any way contesting or affecting the validity of the 2021A Bonds or any proceedings of the City or the Authority taken with respect to the sale, execution, issuance or delivery thereof or the pledge or application of any moneys or security provided for the payment of the 2021A Bonds or the use of the 2021A Bond proceeds or contesting the corporate existence of the City or the Authority, or the title of the officers thereof to their respective offices.

There are currently some lawsuits and claims pending against the City for which the City is either self-insured or insured in varying degrees by commercial insurance, or which in the aggregate, if determined adversely to the City, could have a material adverse impact on the City's finances in the future. However, the City does not expect any such suits or claims to have a material adverse effect on the City's ability to make 2021A Base Rental Payments under the Lease.

FINANCIAL STATEMENTS

The City's financial statements for the Fiscal Year ended June 30, 2020, included in APPENDIX B hereto, have been audited by Moss, Levy & Hartzheim LLP (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in APPENDIX B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

MUNICIPAL ADVISOR

The City has retained NHA Advisors, LLC, as Municipal Advisor in connection with the authorization and delivery of the 2021A Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

RATING

S&P Global Ratings ("S&P") has assigned its rating of "__" to all of the 2021A Bonds. Such rating reflects only the view of S&P. Any explanation of the significance of such rating may only be obtained from S&P. The information set forth on such website is not incorporated by reference herein. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that any of them will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2021A Bonds.

UNDERWRITING

Samuel A. Ramirez & Co., Inc. (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the 2021A Bonds from the Authority at a price equal to $________ (which equals the principal amount of the 2021A Bonds, plus a net original issue premium of $_______, and less an underwriting discount of $________).

The Underwriter intends to offer the 2021A Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, plus accrued interest from the dated date of the 2021A Bonds to their date of delivery, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2021A Bonds to the public. In connection with the offering of the 2021A Bonds, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the 2021A Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

CONTINUING DISCLOSURE

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the 2021A Bonds and the Authority will not provide any such information.

The City has covenanted for the benefit of the holders and beneficial owners of the 2021A Bonds pursuant to a Continuing Disclosure Agreement, dated the date of issuance of the 2021A Bonds (the "Continuing Disclosure Agreement"), by and between the City and __________, as Dissemination Agent, to provide certain financial information and operating data relating to the City (the "Annual Report") no later than March 31 following the end of each fiscal year, commencing with the report for Fiscal Year 2020-21, and to provide notices of the occurrence of certain enumerated events through the EMMA System. The specific nature of the information to be contained in the Annual Report and the enumerated events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

[discuss any lapses]

APPROVAL OF LEGAL PROCEEDINGS

The issuance of the 2021A Bonds is subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Authority, to be delivered in substantially the form set forth in APPENDIX E. Norton Rose Fulbright US LLP in its role as Bond Counsel has undertaken no responsibility to the owners of the 2021A Bonds or any other party for the accuracy, completeness or fairness of this Official Statement or any other offering material related to the 2021A Bonds, and expresses no opinion to the Owners with respect thereto. Certain legal matters also will be passed upon for the City and the Authority by the City Attorney and for the Underwriter by its counsel Kutak Rock LLP, Irvine, California.

EXECUTION AND DELIVERY

The execution and delivery of this Official Statement has been authorized by the Authority and the City.

CITY OF EL CENTRO FINANCING AUTHORITY

By: ______________________________
Executive Director

CITY OF EL CENTRO, CALIFORNIA

By: ______________________________
City Manager

APPENDIX A

SUPPLEMENTAL INFORMATION – THE CITY OF EL CENTRO AND IMPERIAL COUNTY

The following information relating to the City of El Centro, California (the "City") is provided for informational purposes only. The 2021A Bonds (as defined in the front part of this Official Statement) are payable solely as described in this Official Statement and are not payable or secured by a pledge of the faith and credit or taxing power of the City.

COVID 19 Pandemic

The economic and demographic data contained in this Appendix A are the latest available, but are as of dates and for periods before the economic impact of the COVID 19 pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City, the County or the region or of expected revenues to the General Fund. See "RISK FACTORS – COVID 19 Pandemic" in the forepart of this Official Statement.

General

The City. The City of El Centro (the "City") is the seat of the County of Imperial (the "County"), California. The City is located approximately 120 miles east of the City of San Diego and approximately 60 miles west of Yuma, Arizona. The City lies ~~7~~13 miles north of the City of Mexicali with a population of approximately 1 million, the capital of the State of Baja California, Mexico, and its strategic border location makes it a prime link between the interior of Mexico and the major markets along the West Coast of the United States. The City encompasses approximately 11 square miles and straddles the busy Interstate 8, the major interstate highway linking southern California to its eastern neighbors. As of January 1, 2020, the City had a population of approximately 45,700.

The County. The City is the seat of the County of Imperial (the "County"). The City is located approximately 120 miles east of the City of San Diego and approximately 60 miles west of Yuma, Arizona. The County consists of seven cities and an unincorporated area with a countywide population of approximately 181,697. The County serves as the Gateway to the United States for the City of Mexicali, Mexico, the capital of Baja California. Mexicali has a population in excess of 1,000,000 and a significant number of maquiladoras (A maquiladora is an assembly plant in Mexico, especially one along the border between the United States and Mexico, to which foreign materials and parts are shipped and from which the finished product is returned to the original market).

Government and Services

The City was incorporated under the Laws of the State of California in 1908. However on November 3, 2009 voters approved Measure G adopting a City Charter. Under the provisions of the charter, the City of El Centro has full authority over its own municipal affairs including; bidding and contracting procedures; regulation of parks; libraries; and other facilities; certain fees; imposition of taxes; municipal zoning; municipal utilities and municipal election procedures.

The City of El Centro operates under a Council-Manager form of Government. The City Council consists of five members elected by the residents of the City. Council terms are four years, elected in November of even-numbered years. Each November, the City Council selects the Mayor from among its members for a one-year term. The Council is elected on an at large non-partisan basis.

Population

The following table shows a historical comparison of the respective populations of the City, the County and the State for the last five years.

Table A-1
CITY OF EL CENTRO, IMPERIAL COUNTY,
AND THE STATE OF CALIFORNIA
Population Comparison[1]

Year	City of El Centro	Imperial County	State of California
2016	45,170	~~178,555~~185,831	39,131,307
2017	45,413	~~180,372~~188,334	39,398,702
2018	46,315	~~183,075~~190,824	39,586,646
2019	45,774	~~181,614~~190,266	39,695,376
2020	45,657	~~181,697~~188,777	39,782,870

[1] As of January 1, 2020.
Source: State Department of Finance, 2020 Benchmark.

Employment and Industry

The following table summarizes the annual average civilian labor force, employment and unemployment in the County for the calendar years 2015 through 2019.

Table A-2
IMPERIAL COUNTY
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

	2015	2016	2017	2018	2019
Civilian Labor Force[1]	76,000	75,100	72,100	71,200	71,300
Employment	57,900	57,000	58,000	57,800	58,300
Unemployment	18,800	18,100	14,100	13,400	13,000
Unemployment Rate	24.5%	24.1%	19.5%	18.9%	18.2%
Wage and Salary Employment:[2]					
Agriculture	13,200	11,700	11,800	11,400	11,000
Mining, Logging and Construction	2,600	1,800	1,800	1,800	1,900
Manufacturing	1,000	1,100	1,300	1,400	1,600
Wholesale Trade	1,800	1,800	1,800	1,800	1,800
Retail Trade	8,200	8,000	8,000	8,000	7,900
Transportation, Warehousing, Utilities	2,100	2,400	2,600	2,500	2,400
Information	300	300	300	300	300
Finance and Insurance	1,500	1,400	1,300	1,300	1,200
Professional and Business Services	2,300	2,400	2,600	2,600	2,500
Educational and Health Services	7,500	7,800	8,100	8,400	9,000
Leisure and Hospitality	4,200	4,400	4,400	4,300	4,400
Other Services	800	900	900	900	900
Federal Government	2,200	2,100	2,100	2,100	2,100
State Government	2,600	2,700	2,700	2,700	2,800
Local Government	13,100	13,400	13,700	14,100	14,200
Total, All Industries [3]	63,300	62,100	63,400	63,600	64,000

[1] Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: Labor Division of the California State Employment Development Department, 1990-2019 Benchmark.

Major Employers

The following table lists the major employers within the County:

Table A-3
COUNTY OF IMPERIAL
Major Employers – Listed Alphabetically
(As of June 30, 2020)

Employer Name	Location	Industry
8A Packing LLC	El Centro	Labor Organization
Academic Services	Imperial	University-Colle Dept./Facility/Office
Calipatria State Prison	Calipatria	Government Offices-State
Centinela Solar Energy LLC	Calexico	Power Plants
Centinela State Prison	Imperial	Government Offices-State
Central Union High School	El Centro	Schools
Costco Wholesale	El Centro	Wholesale Clubs
Del Ranch Power Plant	Calipatria	Power Plants
El Centro Naval Air Force	El Centro	Federal Government-National Security
El Centro Regional Medical Center	El Centro	Hospital
Imperial County Behavioral Health	El Centro	Mental Health Services
Imperial County Coroner	El Centro	Government Office-County
Imperial County Office of Education	El Centro	Educational Associations
Imperial County Sheriff	El Centro	Government-County
Imperial Date Gardens	Winterhaven	Nurserymen
Imperial Irrigation District	El Centro	Distribution Services
Jjall LLC	Calexico	Labor Contractors
Pioneers Memorial Healthcare	Brawley	Healthcare Management
Spreckles Sugar Co Inc.	Brawley	Sugar Refiners
Target	El Centro	Department Store
US Border Patrol	El Centro	Federal Government-National Security
Vulcan-Bn Geothermal	Calipatria	Power Plants
Walmart Supercenters	El Centro	Department Stores

Source: Employment Development Department extracted from America's Labor Market Information System (ALMIS) Employer Database, 2020 2nd Edition.

Commercial Activity

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table.

Table A-4
CITY OF EL CENTRO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Other Outlets	
	Number of Permits	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2013	596	$1,610,611	355	$351,235
2014	616	2,546,708	344	734,861
2015	622	1,619,356	384	351,638
2016	623	1,616,048	395	354,605
2017	623	1,690,026	387	366,468
2018	622	1,793,371	434	387,975
2019	620	1,875,080	443	368,858

Sources: California Department of Tax and Fee Administration – Taxable Sales – Large Cities.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table.

Table A-5
IMPERIAL COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Number of Permits	**Taxable Transactions**
2010	3,432	$1,970,332
2011	3,390	2,181,800
2012	3,288	2,356,313
2013	3,239	3,661,582
2014	3,266	2,893,261
2015	3,498	2,676,631
2016	3,554	2,481,424
2017	3,444	2,563,117
2018	3,702	2,793,206
2019	3,602	2,764,236

Source: California Department of Tax and Fee Administration – Taxable Sales – By County.

Construction Activity

The following tables show a five year summary of the valuation of building permits issued in the City and the County. [**update for 2020?**]

Table A-6
CITY OF EL CENTRO
Building Permit Valuation

	2015	2016	2017	2018	2019
Permit Valuation					
Single-family dwelling	$ 3,057,791	$ 1,631,490	$ 970,407	$ 4,559,430	$ 2,699,566
Multi-family	6,424,500	0	0	6,476,598	5,641,600
Res. Alterations/Additions	1,447,023	1,126,266	1,566,907	1,029,742	965,255
Total Residential	$10,929,314	$ 2,757,756	$ 2,537,314	$12,065,770	$ 9,306,421
Hotels & Motels	7,595,473	--	--	--	--
Non-Housekeeping Shelter	106,500	30,150	--	--	--
Amusement and Recreation	--	--	--	--	--
Churches	--	--	--	--	--
Industrial & Manufacturing	--	139,182	--	--	--
Parking Garages	--	--	--	--	--
Service Stations	--	--	--	--	--
Hospitals	--	--	--	--	1,475,000
Offices	--	1,073,322	12,508,658	134,800	--
Public Works	225,000	--	35,000	225,000	--
Schools Education	--	--	--	13,000,000	--
Stores, Mercantile & Warehouses	3,017,716	1,360,551	--	2,542,618	11,576,079
Other Non-Residential Buildings	982,628	465,146	48,000	50,000	7,840
Structures Other Than Buildings	1,109,559	970,961	1,084,089	1,492,030	1,054,292
Non-Residential Alterations	5,298,464	4,582,760	3,900,790	7,879,703	4,082,458
Residential Garages	205,680	269,483	102,166	212,640	308,792
Total Nonresidential	$18,541,020	$8,891,555	$17,678,703	$25,536,791	$18,504,461
New Dwelling Units					
Single Family	14	8	7	22	14
Multiple Family	76	0	0	75	75
Total	90	8	7	99	89

Source: Construction Industry Research Board, Annual Building Permit Summary.

Table A-7
IMPERIAL COUNTY
Building Permit Valuation

	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	$26,492,333	$48,224,319	$36,490,475	$53,710,416	$49,234,937
New Multi-family	20,797,757	7,761,839	733,713	10,626,698	36,793,883
Res. Alterations/Additions	6,386,869	10,004,282	5,166,395	5,183,087	4,984,289
Total Residential	$53,676,959	$65,990,440	$42,390,583	$69,520,201	$91,013,109
New Commercial	$15,365,663	$12,936,936	$63,056,273	$48,303,730	$20,712,119
New Industrial	2,000,000	1,239,182	1,977,216	160,000	30,000
New Other	13,616,263	18,720,038	12,700,984	29,858,362	18,683,113
Alterations/Additions	16,048,457	53,064,037	94,446,493	73,121,099	23,516,795
Total Nonresidential	$47,030,383	$85,960,193	$172,180,966	$220,963,392	$62,942,027
New Dwelling Units					
Single Family	125	230	191	279	267
Multiple Family	133	41	8	133	394
Total	258	271	199	412	661

Source: Construction Industry Research Board, Annual Building Permit Summary.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF EL CENTRO FOR THE FISCAL YEAR ENDED JUNE 30, 2020

[insert Appendix C]

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

___________, 2021

El Centro Pubic Financing Authority
El Centro, California

City of El Centro
El Centro, California

$__________
El Centro Financing Authority
Lease Revenue Bonds, 2021 Series A
(Library Project)

Ladies and Gentlemen:

We have acted as Bond Counsel to the El Centro Financing Authority (the "Authority") in connection with the issuance by the Authority of its $________ Lease Revenue Bonds, 2021 Series A (Library Project) (the "2021A Bonds"). The 2021A Bonds are being issued under the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Bond Law"), and pursuant to an Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

The 2021A Bonds are limited obligations of the Authority secured under the Indenture by a pledge of Revenues and certain other moneys held under the Indenture. The Revenues consist of (i) all 2021A Base Rental Payments payable by the City pursuant to the Lease Agreement, dated as of April 1, 2021 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee (including prepayments), (ii) any proceeds of 2021A Bonds deposited with the Trustee and all moneys on deposit in the funds and accounts established under the Indenture, (iii) investment income with respect to such moneys held by the Trustee and (iv) any insurance proceeds or condemnation awards received by or payable to the Trustee relating to the 2021A Base Rental Payments.

The City has leased certain real property and improvements (the "Leased Property") to the Authority pursuant to the Site and Facility Lease, dated as of April 1, 2021 (the "Site Lease"), by and between the City and the Authority. Pursuant to the Assignment Agreement, dated as of April 1, 2021 (the "Assignment Agreement"), by and between the Authority and the Trustee, the Authority has assigned to the Trustee, for the benefit of the Owners, certain of the Authority's rights under the Site Lease and the Lease, including the right to receive 2021A Base Rental Payments under the Lease.

As Bond Counsel, we have reviewed relevant portions of the Bond Law, the Indenture, the Site Lease, the Lease, the Assignment Agreement and certifications of the Authority, the City, the Trustee and others, opinions of counsel to the Authority, the City and the Trustee, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Based upon the foregoing, we are of the opinion that:

1. The 2021A Bonds constitute valid and binding limited obligations of the Authority as provided in the Indenture, and are entitled to the benefits of the Indenture.

2. The Indenture has been duly and validly authorized, executed and delivered by the Authority and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the 2021A Bonds, of the Revenues and certain other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof for other purposes and on the terms and conditions set forth therein.

3. The Lease and Site Lease have been duly and validly authorized, executed and delivered by the Authority and the City and constitute the legally valid and binding obligations of the Authority and the City, enforceable against the Authority and the City in accordance with their terms.

4. The Assignment Agreement has been duly and validly authorized, executed and delivered by the Authority and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

5. Under existing law, and assuming compliance with the covenants mentioned below after the date hereof, interest on the 2021A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 as amended to the date hereof (the "Code") from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of the owners thereof. We are further of the opinion that interest on the 2021A Bonds is exempt from personal income taxes of the State of California under present state law.

   The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the 2021A Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Non-compliance with such requirements could cause the interest on the 2021A Bonds to fail to be excluded from the gross income of the owners thereof retroactive to the date of issuance of the 2021A Bonds. Pursuant to the Indenture, the Lease and the Tax Certificate being delivered by the Authority and the City in connection with the issuance of the 2021A Bonds, the Authority and the City are making representations relevant to the determination of, and are undertaking certain covenants regarding or affecting, the exclusion of interest on the 2021A Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described in the immediately preceding paragraph, we have assumed the accuracy of and have relied upon such representations and the present and future compliance by the Authority and the City with such covenants. Further, except as stated in the preceding paragraph, we express no opinion as to any federal, state or local tax consequences of the receipt of interest with respect to, or the ownership or disposition of, the 2021A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the 2021A Bonds, or the interest thereon, if any action is taken with respect to the 2021A Bonds or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Ownership of tax-exempt obligations such as the 2021A Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The opinions expressed in paragraphs 1, 2, 3 and 4 above are qualified to the extent the enforceability of the 2021A Bonds, the Indenture, the Lease, the Site Lease and the Assignment Agreement may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. The enforceability of the 2021A Bonds, the Indenture, the Lease, the Site Lease and the Assignment Agreement is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in the State of California.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the 2021A Bonds.

Our opinions are based on existing law of the State of California, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX F

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that each of the Authority and the City believes to be reliable, but the Authority and the City take no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2021A Bonds, payment of principal, premium, if any, and interest on the 2021A Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2021A Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2021A Bonds. The 2021A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2021A Bond will be issued for each annual maturity of the 2021A Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*. The information set forth on such website is not incorporated herein by reference.

Purchases of 2021A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2021A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive 2021A Bonds representing their ownership interests in 2021A Bonds, except in the event that use of the book-entry system for the 2021A Bonds is discontinued.

To facilitate subsequent transfers, all 2021A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2021A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021A Bonds, such as prepayments, tenders, defaults, and proposed amendments to the 2021A Bond documents. For example, Beneficial Owners of 2021A Bonds may wish to ascertain that the nominee holding the 2021A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2021A Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2021A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2021A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2021A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority, the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Authority or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A 2021A Bond Owner shall give notice to elect to have its 2021A Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such 2021A Bonds by causing the Direct Participant to transfer the Participant's interest in the 2021A Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of 2021A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2021A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2021A Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the 2021A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 2021A Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE 2021A BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE 2021A BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

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