

CITY OF HUNTINGTON PARK PUBLIC FINANCING AUTHORITY



Special Meeting Agenda Tuesday, January 20, 2015

6:00 p.m.
City Hall Council Chambers
6550 Miles Avenue
Huntington Park, CA 90255

CALL TO ORDER

ROLL CALL

Chair Rosa E. Perez
Vice Chair Karina Macias
Board Member Mario Gomez
Board Member Ofelia Hernandez
Board Member Valentin Palos Amezcuita

PUBLIC COMMENT

This is the time and place for the general public to address the Public Financing Authority on matters within their jurisdiction. Items not included previously on the agenda may only be referred to staff for administrative action or scheduled on a subsequent agenda for discussion.

REGULAR AGENDA

1. **Approve Minutes of the following Huntington Park Public Financing Authority Meeting:**
 - 1-1 Huntington Park Public Financing Authority Meeting held Monday, January 5, 2015

REGULAR AGENDA (continued)**2. Approve Resolution Authorizing the Issuance of its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Approve and authorize the issuance of Huntington Park Public Financing Authority Bonds, Series 2015 (Federally Taxable) (the "2015 Bonds") in a principal amount not to exceed \$30,500,000;
2. Approve and authorize the execution and delivery of the following documents:
 - Trust Indenture
 - Escrow Agreement
 - Preliminary Official Statement
 - Purchase Contract
 - Continuing Disclosure
3. Authorize the Executive Director and other appropriate officers of the Huntington Park Public Financing Authority (the "Authority") to take all actions necessary to carry out the refinancing;
4. Approve bond issuance services for Bond Counsel, Special Tax Counsel, Authority Counsel, Underwriter's Counsel, Financial Advisor, Pricing Advisor, Fiscal Consultant Verification Agent and any other services that need to be procured in connection with the delivery of the 2015 Bonds; and
5. Adopt Resolution No. 2015-02. Authorizing the Issuance of its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) in an Aggregate Principal Amount not to Exceed \$30,500,000 for the Purpose of Refunding its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A; Authorizing and Directing the Execution and Delivery of an Indenture, and Escrow Agreement, a Preliminary Official Statement, a Continuing Disclosure Certificate and a Purchase Contract and Authorizing Certain Other Actions in Connection Therewith.

ADJOURNMENT

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at www.hpca.gov on the 15th of January, 2015.



Donna G. Schwartz, CMC
Secretary

MINUTES
Regular Meeting of the
City of Huntington Park Public Financing Authority
Monday, January 5, 2015 at 6:00 p.m.

The regular meeting of the Public Financing Authority was called to order at 6:05 p.m. on Monday, January 5, 2015, in the Council Chamber of City Hall at 6550 Miles Avenue, Huntington Park, California; Chair Rosa Perez presiding.

ROLL CALL

Present: Chair Perez; Vice Chair Macias and Board Members Gomez and Amezcuita. Other City Official and employees: Julio Morales, Executive Director, Isabel Birrueta, Counsel, Jorge Cisneros, Chief of Police, Josette Espinosa, Director of parks and Recreation, Fernanda Pelacios, Redevelopment Project Manager and Donna Schwartz, Agency Secretary.

Absent: Board Member Hernandez

PUBLIC COMMENT - None

REGULAR AGENDA

1. Approve Resolution Establishing Regular Meeting Dates.

Executive Director Morales presented the report.

Motion by Board Member Gomez to Adopt Resolution No. 2015-01, Establishing Regular Meeting dates, to start as a Special Meeting on Tuesday, January 20, 2015, since Monday, January 19, 2015 is a holiday, seconded by Vice Chair Macias. Motion passed by the following vote:

ROLL CALL:

AYES: Board Member(s): Amezcuita, Gomez, Vice Chair Macias and Chair Perez

NOES: Board Member(s): None

ABSENT: Board Member(s): Hernandez

ADJOURNMENT

At 6:15 pm Chair Perez adjourned the meeting to a Special Meeting of the City of Huntington Park Public Financing Authority on Tuesday, January 20, 2015 at 6:00 pm.

Respectfully submitted,

Donna G. Schwartz, CMC
Agency Secretary



HUNTINGTON PARK PUBLIC FINANCING AUTHORITY

The Office of Finance

City Council Agenda Report

January 20, 2015

Honorable Chair and Members of the Huntington Park Public Financing Authority
of the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the HPPFA:

APPROVE RESOLUTION AUTHORIZING THE ISSUANCE OF ITS HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, SERIES 2015

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY:

1. Approve and authorize the issuance of Huntington Park Public Financing Authority Bonds, Series 2015 (Federally Taxable) (the "2015 Bonds") in a principal amount not to exceed \$30,500,000;
2. Approve and authorize the execution and delivery of the following documents:
 - Trust Indenture
 - Escrow Agreement
 - Preliminary Official Statement
 - Purchase Contract
 - Continuing Disclosure
3. Authorize the Executive Director and other appropriate officers of the Huntington Park Public Financing Authority (the "Authority") to take all actions necessary to carry out the refinancing;
4. Approve bond issuance services for Bond Counsel, Special Tax Counsel, Authority Counsel, Underwriter's Counsel, Financial Advisor, Pricing Advisor, Fiscal Consultant Verification Agent and any other services that need to be procured in connection with the delivery of the 2015 Bonds; and

RESOLUTION OF THE HUNTINGTON PARK PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, SERIES 2015 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,500,000 FOR THE PURPOSE OF REFUNDING ITS HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, 2004 SERIES A

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5. Adopt Resolution No. 2015-02. Authorizing the Issuance of its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) in an Aggregate Principal Amount not to Exceed \$30,500,000 for the Purpose of Refunding its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A; Authorizing and Directing the Execution and Delivery of an Indenture, and Escrow Agreement, a Preliminary Official Statement, a Continuing Disclosure Certificate and a Purchase Contract and Authorizing Certain Other Actions in Connection Therewith.

BACKGROUND

As members of the Authority may recall, the Successor Agency and Oversight Board authorized the issuance of refunding bonds relating to the Series 2004 TABs and 2007 Lease Revenue Bonds on September 7, 2014, and September 21, 2014, respectively. It was the City's intent to pay the City's arbitrage rebate liability and refund for savings the two bond issues.

With the Department of Finance's final and conclusive determination that the 2004 TABs were not an enforceable obligation, the Successor Agency was then directed to place the 1994 TABs on the next ROPs. While the structure of the deal changed from a Successor Agency financing to a JPA structure, in addition to realizing some savings there are other policy objectives that can be realized, and in fact, might be an advantage to the City:

- Present value savings of approximately \$700,000 based on current interest rates;
- Reduction of the arbitrage rebate liability from \$3.3 million to approximately \$1.3 million by issuing taxable bonds;
- Removal of the City's General Fund pledge as a result of refunding the 2004 Bonds; and
- Ability to capture excess revenues for capital improvements on a pay-as-you-go basis as a result of excess of the 1994 TABs vs 2015 Bonds.

LEGAL AND FINANCIAL CONSIDERATIONS; FISCAL IMPACT

1. ***Yield Reduction Penalty/Rebate Liability.*** As the Authority is aware, the 2004 Bonds purchased an escrow at a yield substantially higher than the yield on the original 1994 Bonds thereby generating a substantial yield reduction penalty of

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approximately \$6.4 million of which \$3.4 million remained outstanding. Issuing the Federally Taxable 2015 Bonds further reduced the liability to \$1.3 million, based upon analysis provided by special tax counsel and verification agent that maximum taxpayer exposure approximates \$2.2 million. This past November, the City paid \$819,000 of the liability, and the remaining \$500,000 will be paid at closing.

In order to mitigate against the remaining potential exposure of \$1.0 million, staff strongly advises that the City designate the additional \$1.0 million (which would bring a total equal to taxpayer exposure) should there be further action by the IRS) for the yield reduction payment. The City could then release \$200,000 per year over the next five years with the reasonable expectation that risk of action becomes less likely as time progresses.

2. Refinancing of the 2004 TABs with the Series 2015 Revenue Bonds (Taxable).

For reasons related to the yield reduction penalty generated by the 2004 Bonds, the City would have incurred another substantial liability were it to issue tax-exempt bonds. By issuing taxable bonds, the savings to be realized are less than with a tax-exempt issue. The City should expect to realize net present value savings of approximately \$700,000, or 2.37% of refunding par based on current interest rates.

In addition to present value savings, the City will also remove the General Fund pledge as a result of refunding the 2004 Bonds, and will have the ability to capture excess revenues for capital improvements on a pay-as-you-go basis as a result of the excess of the 1994 TABs vs 2015 Bonds).

The following table summarizes the specifics of the Series 2015 Revenue Bonds:

2015 Revenue Bonds (Taxable)	
<i>Par Amount</i>	\$30,270,000
<i>Final Maturity</i>	2022
<i>Present Value Savings</i>	\$718,159
<i>Savings as a % of Refunded Bonds</i>	2.37%
<i>Avg. annual savings (through FY 2018)</i>	\$4,000
<i>Avg. annual savings (FY 19 - 22)</i>	\$203,000

The final savings amount will depend on the market interest rates in effect at the time the 2016 Bonds are priced in approximately 70 days (post a 60-day waiting period). The source of repayment will be RTTPF monies and pass through from the County loan deferral.

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REQUIRED APPROVALS AND AUTHORIZATIONS

In order to move forward with executing both refinancings, certain authorizations and approvals are necessary:

1. Authorization of the Chair of the Authority, the Interim Executive Director, the Interim Finance Director, and other authorized officers to execute and deliver all documents as required and to take any actions necessary in delivering the Refunding Bonds on behalf of the Authority;
2. Approval of the issuance of the Refunding Bonds;
3. Approval of an Indenture in substantially final form and the execution of 2015 Refunding Bonds.
4. Approval of a Purchase Contract in substantially final form.
5. Approval of a form of Escrow Agreement in substantially final form.
6. Approval of a Continuing Disclosure Agreement in substantially final form.
7. Approval of a Preliminary Official Statement in substantially final form.
8. Approval of the following bond issuance services for Underwriter, Bond Counsel, Special Tax Counsel, Authority Counsel, Financial Advisor, Pricing Advisor, Verification Agent and any other professional services firms as may be required to deliver the 2015 Bonds.

The Authority will incur various costs associated with the issuance of the refunding bonds. All of the parties involved in the refunding effort are paid on a contingency basis, with the exception of the Fiscal Tax Consultant and Financial Advisor. In the case of the Series 2015 Bonds, the costs incurred on this transaction are greater than those typically expected in that the financing team has essentially worked on two rather than one financing. Estimated costs of issuance approximate \$340,000.

CONCLUSION AND NEXT STEPS

We anticipate closing the transaction within 90 days. Staff will provide an informational report to the Authority.

Respectfully submitted,



Julio Morales
Acting Interim Executive Director

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Attachments:

- A. Resolution
- B. Indenture
- C. Escrow Agreement
- D. Bond Purchase Contract
- E. Continuing Disclosure Agreement
- F. Preliminary Official Statement

RESOLUTION NO. 2015-02

RESOLUTION OF THE HUNTINGTON PARK PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, SERIES 2015 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,500,000 FOR THE PURPOSE OF REFUNDING ITS HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, 2004 SERIES A; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF AN INDENTURE, AN ESCROW AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, A CONTINUING DISCLOSURE CERTIFICATE AND A PURCHASE CONTRACT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Huntington Park Public Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, as amended, by and among the City of Huntington Park (the “City”), the former Huntington Park Redevelopment Agency (the “Former RDA”) and the Parking Authority of the City of Huntington Park, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53570 and following (the “Refunding Law”) to issue bonds for the purpose of refunding outstanding obligations of the Authority; and

WHEREAS, the Former RDA heretofore issued its \$68,480,000 initial aggregate principal amount Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 Agency Bond”) pursuant to a Fiscal Agent Agreement dated as of May 1, 1994 (the “Fiscal Agent Agreement”) between the Former RDA and State Street Bank and Trust Company of California, N.A. (predecessor to U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”), and

WHEREAS, the 1994 Agency Bond, then consisting of serial and term bonds outstanding, were purchased by the Authority with proceeds of the Authority’s \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A, the Authority’s \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B, and the Authority’s \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (together, the “1994 Authority Bonds”); and

WHEREAS, the 1994 Authority Bonds were issued pursuant to an Indenture of Trust between the Authority and State Street Bank and Trust Company of California, N.A.

(predecessor to U.S. Bank National Association), dated as of May 1, 1994, as supplemented and amended; and

WHEREAS, for the purpose of refunding the 1994 Authority Bonds in their entirety, the Authority heretofore issued its \$55,875,000 aggregate principal amount of Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A, of which \$28,550,000 principal amount is currently outstanding (the “2004 Authority Bonds”) pursuant to that Indenture of Trust dated as of June 1, 2004 (the “2004 Indenture”) by and between the Authority and U.S. Bank National Association, as trustee (the “2004 Trustee”); and

WHEREAS, pursuant to Section 4.01(b) of the 2004 Indenture, the Authority transferred and assigned to the 2004 Trustee for the benefit of the Owners of the 2004 Authority Bonds all of the right, title and interest of the Authority in the 1994 Agency Bond and the Fiscal Agent Agreement; and

WHEREAS, the principal of and interest on the 2004 Authority Bonds are payable from payments made to the 2004 Trustee by the Former RDA (currently, the Successor Agency to the Community Development Commission of the City of Huntington Park) of principal of and interest on the 1994 Agency Bond; and

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code), and the powers of such agency included the power to issue bonds, notes, certificates of participation, or other evidence of indebtedness for any of its corporate purposes; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session), enacted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City Council serves as governing body of the successor agency (as successor agency to the Former RDA, the “Agency”); and

WHEREAS, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness to be refunded provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, following an approval of the refunding of the 1994 Agency Bond and the related 2004 Authority Bonds by the Agency and its oversight board (the “Oversight Board”), the California Department of Finance (“Finance”), by letter dated November 25, 2014, responded with its disapproval of Oversight Board Resolution No. 2014-07 which resolution authorized the refunding of such outstanding tax allocation obligations; and

WHEREAS, by letter dated November 25, 2014, Finance responded to a request of the Agency for a final and conclusive determination on Item No. 1 - 2004 Tax Allocation Refunding Bonds, as listed on the January 1, 2015 through June 30, 2015 Recognized Obligation Payment Schedule (ROPS 14-15B), to be replaced with the Agency's 1994 Series A Tax Allocation Refunding Bonds, which letter stated: (i) Finance's approval of the Item No. 1 - 1994 Series A Tax Allocation Refunding Bonds as an enforceable obligation is final and conclusive; and (ii) Finance's review of the Item No. 1 - 1994 Series A Tax Allocation Refunding Bonds in future ROPS will be limited to confirming the scheduled payments are required by the obligation; and

WHEREAS, the 2004 Authority Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Authority has determined to issue its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”) pursuant to an Indenture of Trust between the Authority and the 2004 Trustee (the “Indenture”) in order to refund the 2004 Authority Bonds, such Bonds to be secured in principal part by the Authority’s transfer and assignment to the Trustee for the benefit of the Owners of the Bonds all of the right, title and interest of the Authority in the 1994 Agency Bond and the Fiscal Agent Agreement; and

WHEREAS, the Authority has determined that the receipt of revenues from the 1994 Agency Bond in excess of scheduled principal of and interest on the Bonds will be deposited in a Project Fund to be established under the Indenture and disbursed to pay costs of public capital improvements in accordance with Section 6546 of the California Government Code, et. seq., and for any lawful purpose of the Authority; and

WHEREAS, in connection with the purposes stated above, the Authority desires that the 2004 Trustee, as escrow agent (the “Escrow Agent”), enter into an escrow agreement (the “Escrow Agreement”), pursuant to which the Authority will provide the Escrow Agent with net proceeds of the Bonds in an amount sufficient to redeem and refund the 2004 Authority Bonds in accordance with the terms thereof and the 2004 Indenture; and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) to be distributed in connection with the offering of the Bonds has been prepared; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has submitted to the Authority a proposed form of an agreement to purchase the Bonds (the “Purchase Contract”) by and between the Underwriter and the Authority; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the original purchaser or underwriter thereof must have reasonably determined that the Authority has

undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the Authority desires to enter into a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”); and

WHEREAS, there has been presented to this meeting forms of the following documents:

1. Indenture;
2. Escrow Agreement;
3. Preliminary Official Statement;
4. Purchase Contract; and
5. Continuing Disclosure Certificate;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Huntington Park Public Financing Authority, as follows:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. The issuance and sale of the Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable), in an aggregate principal amount not to exceed \$30,500,000, with a final maturity date not later than 8 years from the date of issuance of the Bonds, and with an all-in true interest cost of not greater than 4.00% per annum is hereby authorized and approved. The terms thereof shall be determined by the Authorized Officer (as defined below) executing and delivering the Indenture. The Authority authorizes the refunding of the Refunded Bonds from a portion of net proceeds of the Bonds to be issued by the Authority.

Section 3. The form of Indenture presented to this meeting is hereby approved and any one of the Chairman, Vice-Chairman, Auditor, Treasurer, Secretary, or any other person authorized by the Chairman, Vice-Chairman, Auditor or Treasurer, of the Authority (each an “Authorized Officer”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a form of such Indenture, in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of Escrow Agreement presented to this meeting is hereby approved and any one of the Authorized Officers is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver a form of escrow instructions and/or such Escrow Agreement, in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of Continuing Disclosure Certificate presented to this meeting is hereby approved and any one of the Authorized Officers is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver a form of such Continuing Disclosure Certificate, in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of Purchase Contract presented to this meeting is hereby approved and any one of the Authorized Officers is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver a form of such Purchase Contract, in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the underwriter's discount may not exceed 0.75% of the aggregate principal amount of the Bonds.

Section 7. The Bonds shall be executed by the manual or facsimile signature of the Chairman, Vice-Chairman, Auditor or Treasurer of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority in the form set forth and otherwise in accordance with the Indenture.

Section 8. The Preliminary Official Statement, in substantially the form presented to this meeting (the "Preliminary Official Statement"), is hereby approved for use in connection with the offering of the Bonds with such changes as may be approved by an Authorized Officer. Each of the Authorized Officers are authorized and directed to assist in the preparation of a final official statement (the "Official Statement") in substantially the form of said Preliminary Official Statement, with such additions and changes as an Authorized Officer shall approve as being in the best interests of the Authority, such approval to be conclusively evidenced by the execution of said Official Statement with such additions or changes. The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds in electronic form and/or in reasonable number of copies of the Preliminary Official Statement. The Authorized Officers, and each of them, are authorized and directed to certify on behalf of the Authority that the form of the Preliminary Official Statement delivered by the Authority in advance of the sale of the Bonds is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule).

Section 9. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Indenture, the Bonds, the 1994 Agency Bond, and the Purchase Contract, including, without limitation, to execute and deliver any and all documents and contracts which they may deem necessary or advisable in order to facilitate the sale or purchase, as applicable, issuance and delivery of the Bonds, the security for the Bonds, and applying for, and negotiating the terms of a municipal bond insurance policy or policies and/or debt service reserve fund policy or policies (which may include entering into a mutual insurance agreement(s) therefor) for all or a portion of any of the Bonds, as the Authorized Officer may require or approve, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 10. The Authorized Officers are each hereby authorized, upon a determination by such officer that the procurement of such policy or surety bond is in the best interest of the Authority, to procure and maintain a policy of municipal bond insurance for the benefit of the registered owners of one or more maturities of the Bonds and/or to obtain a debt service reserve fund policy or surety bond to satisfy the debt service reserve fund requirement for the Bonds, in such form or forms and on such terms and conditions as such officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery of a commitment letter for and on behalf of the Authority to the issuer of such policy or surety bond.

Section 11. Orrick, Herrington and Sutcliffe LLP is hereby approved and appointed as Bond Counsel and Willdan Financial Services is hereby approved and appointed as Fiscal Consultant, Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby approved and appointed as Special Tax Consultant, U.S. Bank National Association is hereby approved and appointed as bond trustee and escrow agent, Mazyck Advisors LLC is hereby approved and appointed as Financial Advisor, and a pricing advisor may be appointed, each to provide such services and any other related services as may be required to issue the Bonds and to refund and defease the 2004 Authority Bonds. Richards, Watson & Gershon, is hereby approved and appointed as Successor Agency counsel to provide such services and any other related services as may be required to issue the Bonds and to refund and defease the 2004 Authority Bonds.

Section 12. The Authorized Officers and each other officer of the Authority, and each of them, is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 13. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Authority declares that the Authority would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 14. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Huntington Park Public Financing Authority on January 20, 2015.

Chair Perez

ATTEST:

Donna G. Schwartz, Secretary



INDENTURE OF TRUST

by and between

HUNTINGTON PARK PUBLIC FINANCING AUTHORITY

and

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



\$_____

**Huntington Park Public Financing Authority
Refunding Revenue Bonds,
Series 2015 (Federally Taxable)**



Dated as of _____ 1, 2015



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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of ____ 1, 2015 (the “*Indenture*”), is between the HUNTINGTON PARK PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency established pursuant to 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, as trustee (the “*Trustee*”),

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, as amended, by and among the City of Huntington Park (the “*City*”), the former Huntington Park Redevelopment Agency (the “*Former RDA*”) and the Parking Authority of the City of Huntington Park, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “*Act*”), and is authorized pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53570 and following (the “*Refunding Law*”) to issue bonds for the purpose of refunding outstanding obligations of the Authority; and

WHEREAS, the Former RDA heretofore issued its \$68,480,000 initial aggregate principal amount Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A of which \$34,000,000 is currently outstanding (the “*1994 Agency Bond*”) pursuant to a Fiscal Agent Agreement dated as of May 1, 1994 (the “*Fiscal Agent Agreement*”) between the Former RDA and State Street Bank and Trust Company of California, N.A., (predecessor to U.S. Bank National Association), as fiscal agent (the “*Fiscal Agent*”), and

WHEREAS, the 1994 Agency Bond, then consisting of serial and term bonds outstanding, were purchased by the Authority with proceeds of the Authority’s \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A; the Authority’s \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B; and the Authority’s \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (together, the “*1994 Authority Bonds*”); and

WHEREAS, the 1994 Authority Bonds were issued pursuant to an Indenture of Trust between the Authority and State Street Bank and Trust Company of California, N.A., as trustee and since succeeded by U.S. Bank National Association (the “*1994 Trustee*”) dated as of May 1, 1994, as supplemented by three Supplemental Indentures of Trust between the Authority and the 1994 Trustee and each dated as of May 1, 1994, the third of which is the 1994 Third Supplemental Indenture; and

WHEREAS, for the purpose of refunding the 1994 Authority Bonds, the Authority heretofore issued its \$55,875,000 aggregate principal amount of Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “*2004 Authority Bonds*”)

under that certain Indenture of Trust dated as of June 1, 2004 (the “**2004 Indenture**”) by and between the Authority and U.S. Bank National Association, as trustee (the “**2004 Trustee**”); and

WHEREAS, repayment of the 2004 Authority Bonds are payable from payments made by the Former RDA (currently the Successor Agency to the Community Development Commission of the City of Huntington Park (the “**Agency**”)) of principal of and interest on the 1994 Agency Bond; and

WHEREAS, pursuant to Section 4.01(b) of the 2004 Indenture, the Authority transferred and assigned to the 2004 Trustee for the benefit of the Owners of the 2004 Authority Bonds all of the right, title and interest of the Authority in the 1994 Agency Bond and the Fiscal Agent Agreement; and

WHEREAS, the Authority has determined to issue its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “**Bonds**”), in order to refund the 2004 Authority Bonds, such Bonds to be secured in principal part by the Authority’s transfer and assignment to the Trustee for the benefit of the Owners of the Bonds all of the right, title and interest of the Authority in the 1994 Agency Bond and the Fiscal Agent Agreement; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH that the Authority, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the interest on and the principal of and the redemption premium, if any, on all Bonds Outstanding hereunder from time to time according to their tenor and effect, and such other payments required to be made under this Indenture, and to secure the observance and performance by the Authority of all the agreements, conditions, covenants and terms expressed and implied herein and in the Bonds, does hereby assign, bargain, convey, grant, mortgage and pledge a security interest unto the Trustee, and unto its successors in the trusts hereunder, and to them and their successors and assigns forever, in all right, title and interest of the Authority in, to and under, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, each and all of the following (collectively the “**Trust Estate**”):

- (a) the Revenues (as herein defined);
- (b) the amounts in the Funds (as herein defined) established by this Indenture, except amounts in the [Project Fund, the Expense Fund and the Local Obligation Fund]; and
- (c) the 1994 Agency Bond (as herein defined).

TO HAVE AND TO HOLD IN TRUST all of the same hereby assigned, conveyed and pledged or agreed or intended so to be to the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of the Bonds authenticated

hereunder and issued by the Authority and outstanding and without any priority as to the Trust Estate of any one Bond over any other (except as expressly provided in or permitted by this Indenture), upon the trusts and subject to the agreements, conditions, covenants and terms hereinafter set forth;

AND THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby assigned, bargained, conveyed, granted, mortgaged and pledged are to be dealt with and disposed of under, upon and subject to the agreements, conditions, covenants, purposes, terms, trusts and uses as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms set forth below shall have the following meanings in this Indenture, unless the context clearly otherwise requires:

“Act” shall mean Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented from time to time.

“Agency” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, and its successors.

“Authority” shall mean the Huntington Park Public Financing Authority duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated June 23, 1989, among the City, the Parking Authority of the City of Huntington Park, and the Huntington Park Redevelopment Agency, as amended.

“Authorized Denominations” shall mean five thousand dollars (\$5,000) and any integral multiple thereof, but not exceeding the principal amount of Bonds maturing on any one date.

“Authorized Officer” shall mean the Chairman, Vice-Chairman, Auditor, Treasurer, Secretary or any other Person authorized by the Authority in a Written Order to perform an act or sign a document on behalf of the Authority for purposes of this Indenture.

“Bond” or **“Bonds”** shall mean any bond or all of the bonds, as the case may be, authorized and issued by the Authority and authenticated by the Trustee and delivered under this Indenture.

“Bond Counsel” shall mean Orrick, Herrington & Sutcliffe LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds.

“Bond Insurer” shall mean _____.

“Bond Register” shall mean the registration books specified as such in Section 2.05.

“Bond Year” shall mean (1) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding September 1, and (2) thereafter, each twelve-month period from September 2 in any calendar year to and including September 1 in the following calendar year.

“Business Day” shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in New York, New York or the city in which the Principal Corporate Trust Office of the Trustee is located are closed.

“Cash Flow Certificate” shall mean a written certificate executed by an Independent Financial Consultant.

“Chairman” shall mean the Chairman of the Authority.

“City” shall mean, the City of Huntington Park, California, and its successors.

“Continuing Disclosure Certificate” shall mean that Continuing Disclosure Certificate, dated _____, 2015, delivered by the Authority, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Cost of Issuance Fund” shall mean the Fund by that name established pursuant to Section 5.01.

“Costs of Issuance” shall mean all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of the Authority Bonds, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Authority Bonds as provided in a Costs of Issuance invoice transmitted by the Authority to the Trustee at the time of the original issuance of the Bonds to be paid from proceeds of the Bonds in accordance with Section 5.09 hereof.

“Debt Service Account” shall mean the account within the Revenue Fund by that name established and maintained pursuant to Section 5.03.

“Defeasance Opinion” shall mean an opinion of Bond Counsel, addressed to the Authority and the Trustee, to the effect that Bonds are no longer Outstanding under this Indenture.

“Dissolution Act” shall mean Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the California Health and Safety Code.

“Event of Default” shall mean any event of default specified as such in Section 8.01.

“Federal Securities” shall mean (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations 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 United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Financial Advisor” shall mean Mazyck Advisors LLC, or such other independent investment bank or financial advisor selected by the Authority to serve as such.

“Fiscal Agent Agreement” shall mean the Fiscal Agent Agreement, dated as of May 1, 1994, by and between the Agency and State Street Bank and Trust Company of California, N.A., (predecessor to U.S. Bank National Association), as fiscal agent, relating to the Redevelopment Agency of the City of Huntington Park Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A.

“Fiscal Agent” shall mean U.S. Bank National Association, the fiscal agent under the Fiscal Agent Agreement and any other successor as fiscal agent under the Fiscal Agent Agreement.

“Fiscal Year” shall mean the fiscal year of the Authority, which at the date hereof is the period commencing on July 1 in each calendar year and ending on June 30 in the following calendar year.

“Funds” shall mean, collectively, the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Cost of Issuance Fund, the Project Fund, the Expense Fund and the Local Obligation Fund, including all accounts therein.

“Independent Financial Consultant” shall mean a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Authority and who, or each of whom:

- (1) is in fact independent and not under the domination of the Authority;
- (2) does not have any substantial interest, direct or indirect, with the Authority; and
- (3) is not connected with the Authority as a member, officer or employee of the Authority, but who may be regularly retained to make annual or other reports to the Authority.

“Indenture” shall mean this Indenture of Trust, dated as of _____ 1, 2015, between the Authority and the Trustee, pursuant to which the Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

“[Insured Bond]s” shall mean the Bond maturities identified as [Insured Bond]s in Section 2.01.

“Interest Fund” shall mean the Fund by that name established pursuant to Section 5.01.

“Interest Payment Date” shall mean March 1 and September 1 in each year, commencing, with respect to the Bonds, on September 1, 2015.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“1994 Agency Bond” shall mean the \$54,775,000 original principal amount of Redevelopment Agency of the City of Huntington Park Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A maturing on September 1, 2022 in accordance with the Fiscal Agent Agreement of which \$34,000,000 is currently outstanding.

“Officer’s Certificate” shall mean a certificate signed by an Authorized Officer.

“Opinion of Bond Counsel” shall mean a legal opinion signed by Bond Counsel.

“Outstanding” shall mean, with respect to the Bonds and as of any date, the aggregate of Bonds authorized, issued, authenticated and delivered under this Indenture, except:

- (a) Bonds cancelled or surrendered to the Trustee for cancellation pursuant to Section 2.08;
- (b) Bonds deemed to have been paid as provided in Section 12.02; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture.

“Owner” shall mean, as of any date, the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register as of such date.

“Permitted Investments” shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties:

- (1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank, trust company or bank holding company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

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

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National Mortgage Association (“GNMA”); (f) Student Loan Marketing Association (“SLMA”); and (g) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by S&P, or Fitch and “A-1”, “F1” or better rating for the issuer’s short-term debt as provided by S&P or Fitch, respectively.

(4) The Los Angeles County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of “A-1” or “F1” by S&P or Fitch, respectively, and a long-term debt rating of no less than “A” by S&P or Fitch.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-

licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P or Fitch.

(8) Pre-refunded municipal obligations rated “AAA” by S&P meeting the following requirements:

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

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

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

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

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

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

(9) Repurchase agreements which have a maximum maturity of 30 days, or due on demand, and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” by S&P.

(11) Local Agency Investment Fund (established under Section 16429.1 of the California Government Code), provided that such investment is held in the name and to the credit of the Trustee, and provided further that the Trustee may restrict such investment if required to keep moneys available for the purposes of this Indenture.

(12) Shares in a State of California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in

investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended.

“Person” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Prepayment” shall mean any amounts received with respect to the 1994 Agency Bond earlier than the time scheduled for payment resulting from an optional redemption of such 1994 Agency Bond (or portion thereof).

“Prepayment Account” shall mean the account by that name within the Revenue Fund established and maintained pursuant to Section 5.03.

“Principal Corporate Trust Office” shall mean the office of the Trustee in Los Angeles, California.

“Principal Fund” shall mean the Fund by that name established pursuant to Section 5.01.

“Principal Installment” shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds [(including mandatory sinking fund payments)] due on such date, if any.

“Principal Payment Date” shall mean September 1 of each year commencing September 1, 20__, and ending September 1, 20__.

“Qualified Reserve Fund Credit Instrument” means (i) the Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating of such bank or insurance company is “A” (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Fund Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) 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 Interest Account, the Principal Account [or the Term Bonds Sinking Account] for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to the Indenture before the effective date of any such Qualified Reserve Fund Credit Instrument.

“Record Date” shall mean the close of business on the fifteenth (15th) day of the month preceding the month in which any Interest Payment Date occurs, whether or not such day is a Business Day.

“Redemption Fund” shall mean the Fund by that name established pursuant to Section 5.01.

“Related Documents” shall mean this Indenture, the Fiscal Agent Agreement, the Bonds, the 1994 Agency Bond and other transaction documents.

“Responsible Officer” shall mean any Vice-President, Assistant Vice-President, Trust Officer or other trust officer of the Trustee having regular responsibility for corporate trust matters.

“Revenue Fund” shall mean the Fund by that name established pursuant to Section 5.01.

“Reserve Fund” shall mean the Fund by that name established pursuant to Section 5.03 of the Indenture.

“Reserve Fund Requirement” shall mean as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Reserve Policy” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer.

“Revenues” shall mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the 1994 Agency Bond, whether as a result of scheduled payments or Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established hereunder, [except the Project Fund, the Expense Fund and the Local Obligation Fund].

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” shall mean Standard & Poor’s Financial Services LLC and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally-recognized rating agency selected by the Authority.

“Secretary” shall mean the Secretary of the Authority.

“Securities Depository” shall mean, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Trustee.

“Special Record Date” shall mean the date established by the Trustee pursuant to Section 2.01 as a record date for the payment of defaulted interest on the Bonds.

“State” shall mean the State of California.

“Substitute Depository” shall mean the substitute depository as defined in Section 2.10.

“Supplemental Indenture” shall mean any indenture supplemental to or amendatory of this Indenture which is duly executed and delivered in accordance with the provisions of this Indenture.

“Treasurer” shall mean the Treasurer of the Authority.

“Trustee” shall mean U.S. Bank National Association, a national banking association, in its capacity as trustee hereunder and any other successor as trustee under this Indenture.

“Trust Estate” shall have the meaning ascribed thereto in the granting clause hereof.

“Verification Report” shall mean a report of an independent firm of nationally recognized certified public accountants, or such other firm as shall be acceptable to the [Bond Insurer], addressed to the Authority and the Trustee and the [Bond Insurer], verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“Written Request” or **“Written Order”** shall mean a written direction of the Authority to the Trustee signed by an Authorized Officer.

Section 1.02 Rules of Construction. Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa, and pronouns inferring the masculine gender shall include the feminine gender and vice versa. All references herein to particular articles or sections are references to articles or sections of this Indenture. The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meanings, construction or effect.

ARTICLE II

TERMS OF BONDS

Section 2.01 The Bonds. There shall be issued under and secured by this Indenture bonds in the form of fully registered bonds to be designated “Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable)” in the aggregate principal amount of _____ dollars (\$_____). The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond for each maturity of Bonds in the principal amount of the respective maturities of Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein. The Bonds shall be dated their date of initial delivery and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Principal Payment Date (September 1)	Principal Amount	Interest Rate
2015	\$	%
2016		
2017		
2018		
2019		
2020		
2021		
2022		

The principal of and redemption premium, if any, and interest on the Bonds shall be payable by check in lawful money of the United States of America. The Bonds shall be issued as fully registered bonds in Authorized Denominations and shall be numbered as the Authority shall determine. The Bonds shall bear interest from their date of initial delivery. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

Section 2.02 Form of Bonds. The Bonds and the certificate of authentication and assignment forms to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, with such variations, insertions or omissions as are appropriate and not inconsistent herewith.

Section 2.03 Bonds Mutilated, Destroyed, Stolen or Lost. In the event any Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request in writing, the Trustee shall authenticate and deliver a new Bond of the same principal amount and maturity as the mutilated, lost, stolen or destroyed Bond in exchange and substitution for such mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond.

Application for exchange and substitution of mutilated, lost, stolen or destroyed Bonds shall be made to the Trustee at the Principal Corporate Trust Office. In every case the applicant for a substitute Bond shall furnish to the Authority and the Trustee security or indemnification to their satisfaction. In every case of loss, theft or destruction of a Bond, the applicant shall also furnish to the Authority and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant, and in every case of mutilation of a Bond, the applicant shall surrender the Bond so mutilated.

Notwithstanding the foregoing provisions of this section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bonds, the Trustee may pay the same (without surrender thereof except in the case of a mutilated Bond) instead of issuing a substitute Bond so long as security or indemnification is furnished as above provided.

Upon the issuance of any substitute Bond, the Authority and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection therewith. Every substitute Bond issued pursuant to the provisions of this section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Authority, whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionally with any and all other Bonds duly issued under this Indenture to the same extent as the Bonds in substitution for which such Bonds were issued.

Section 2.04 Execution of Bonds. All the Bonds shall, from time to time, be executed on behalf of the Authority by the manual or facsimile signature of the Chairman, Vice-Chairman, Auditor or Treasurer and attested by the manual or facsimile signature of the Secretary.

If any of the officers who shall have signed any of the Bonds shall cease to be such officer of the Authority before the Bond so signed shall have been actually authenticated by the Trustee or delivered, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the Person or Persons who signed such Bonds had not ceased to be such officer of the Authority, and any such Bond may be signed on behalf of the Authority by those Persons who, at the actual date of the execution of such Bonds, shall be the proper officers of the Authority, although at the date of such Bond any such Person shall not have been such officer of the Authority.

Section 2.05 Transfer and Registration of Bonds. The Bonds may be transferred or exchanged and title thereto shall pass only in the manner provided in the provisions for registration set forth in the form of the Bond contained in this Article II and the Trustee shall keep books constituting the Bond Register for the registration and transfer of the Bonds as provided herein. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing and all such Bonds shall be surrendered to the Trustee and cancelled by the Trustee pursuant to Section 2.08 hereof. The Authority and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Indenture, whether such Bond shall be

overdue or not, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and redemption premium, if any, on and interest on any Bond shall be made to such Owner or, if such Owner owns \$1,000,000 or more in aggregate principal amount of the Bonds upon such Owner's written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.06 Regulations with Respect to Exchanges or Transfers of Bonds. (a) In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. There shall be no charge to the Owner for any such exchange or registration of transfer of Bonds, but the Authority may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to register the transfer of or exchange of any Bond on or after the fifteenth (15th) Business Day immediately preceding the date on which the notice of redemption is scheduled to be mailed and ending on the date scheduled for redemption or any Bond selected for redemption.

(b) Upon surrender for exchange or transfer of any Bond at the Principal Corporate Trust Office of the Trustee, the Authority shall execute (which may be by facsimile) and the Trustee shall authenticate and deliver in the name of the Owner (in the case of transfers) a new Bond or Bonds of Authorized Denominations, in the aggregate principal amount which the registered Owner is entitled to receive.

(c) New Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.07 Authentication of Bonds. No Bond shall be secured by this Indenture or entitled to its benefits or shall be valid or obligatory for any purpose unless there shall be endorsed on such Bond the Trustee's certificate of authentication, substantially in the form prescribed in this Indenture, executed by the manual signature of a duly authorized signatory of the Trustee; and such certificate on any Bond issued by the Authority shall be conclusive evidence and the only competent evidence that such Bond has been duly authenticated and delivered under this Indenture.

Section 2.08 Cancellation of Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bond, such Bond surrendered for transfer or exchange, such Bonds purchased, redeemed or paid at maturity, the same shall forthwith be cancelled and the Trustee shall destroy such Bonds and upon Written Request of the Authority deliver a certificate of destruction with respect thereto to the Authority.

Section 2.09 Bonds as Special Obligations. The Bonds shall be special obligations of the Authority, payable and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of this Indenture, solely from the Trust Estate. The Bonds shall not constitute a charge against the

general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

No agreement or covenant contained in any Bond or this Indenture shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer or employee thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of such Bonds.

Section 2.10 Use of Depository. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall be initially issued as provided in Section 2.01. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“*Substitute Depository*”); provided that any successor of the Securities Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Authority and not objected to by the Trustee, upon (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Authority that the Securities Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Written Request of the Authority to the Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Written Request of the Authority. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee together with a Written Request of the Authority to the Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order and registered in the names of such persons as are requested in such a Written Request of the Authority, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Written Request of the Authority.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or Substitute Depository or its successor), except for the Owner of any Bond.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall cooperate with Cede & Co., as sole registered Owner, and its registered assigns in effecting payment of the principal of and redemption premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01 Provisions for the Issuance of Bonds. The Bonds shall be executed by the Authority and delivered to the Trustee for authentication, together with a Written Order certifying that all conditions precedent to the authorization of the Bonds have been satisfied and authorizing the Trustee to authenticate the Bonds. The Trustee shall authenticate and deliver the Bonds upon receipt of the Written Order described above, and upon the following having been made available to the Trustee (in the case of the documents referred to in subsections (a), (c), (e),

(f), (g) and (h) below, the Trustee may assume, and shall not be required to verify, the validity of such documents):

(a) A copy of the resolution or resolutions adopted by the Authority authorizing the issuance of the Bonds and the execution and delivery by the Authority of this Indenture, duly certified by the Secretary to have been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(b) An Opinion of Bond Counsel, dated the date of delivery of the Bonds, to the effect that (i) the Bonds constitute the valid and binding, special obligations of the Authority, (ii) this Indenture has been duly executed and delivered by, and (assuming valid execution and delivery by the Trustee) constitutes a valid and binding obligation of, the Authority and (iii) the interest on the Bonds is exempt from State personal income taxes; provided, that with respect to (i) and (ii) above, no opinion need be expressed as to the effect of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, the application of equitable principles, the exercise of judicial discretion in appropriate cases and the limitation on legal remedies against public entities in the State;

(c) A Written Order directing that the Trustee authenticate the Bonds and containing instructions as to the delivery of the Bonds;

(d) The proceeds of sale of the Bonds;

(e) An Officer's Certificate stating that the Authority is not in default in the performance of any of the agreements, conditions, covenants or terms contained in this Indenture;

(f) [A Cash Flow Certificate to the effect that, assuming that all payments are made with respect to the 1994 Agency Bond, (i) the Revenues, together with moneys on deposit in other funds and accounts held under this Indenture, will be sufficient to pay all scheduled principal and interest payments on the Bonds when due; and (ii) [the redemption premium, if any, on the 1994 Agency Bond payable in the event of early retirement of the 1994 Agency Bond, together with other Revenues available to the Trustee for such purpose (including as provided in Section 5.07 hereof), are sufficient to offset any difference between the interest to accrue on the Bonds to be paid or redeemed with the proceeds of Prepayment of such 1994 Agency Bond (plus any redemption premium payable upon redemption of such Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Bonds, such that in no event will the Prepayment of the 1994 Agency Bond cause the Trustee to have insufficient funds to pay (A) debt service on the Bonds when due and (B) scheduled debt service on the Bonds which remain Outstanding after such redemption, plus in each case expenses];

(g) An original executed counterpart of the Fiscal Agent Agreement;

(h) The 1994 Agency Bond; and

(i) An Opinion or Opinions of counsel to the Agency to the effect that the 1994 Agency Bond is a valid and binding obligation of the Agency.

Section 3.02 No Additional Bonds. The Authority shall not issue or incur additional indebtedness secured by a lien on any part of the Trust Estate.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS

Section 4.01 Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Indenture shall be redeemable, upon mailed notice as provided in this Article, at such times and upon such terms as are contained in this Article. Whenever, by the terms of this Indenture, the Trustee is required or authorized to redeem Bonds, the Trustee shall select the Bonds to be redeemed, shall give the notice of redemption and shall pay out of moneys available therefor the redemption price thereof, plus interest accrued and unpaid to the redemption date, in accordance with the terms of this Article.

Section 4.02 Redemption of Bonds.

(a) *No Optional Redemption of Bonds.* The Bonds shall not be subject to optional redemption prior to maturity.

(b) *[Mandatory Redemption from Prepayments.* The Bonds shall be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any Prepayments with respect to the 1994 Agency Bond, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The Authority shall give the Trustee written notice of the redemption of Bonds pursuant to this subsection not less than 35 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee. Such written notice shall be accompanied by the Written Request of the Agency (as defined in the Fiscal Agent Agreement) required to be delivered to, and the Cash Flow Certificate of an Independent Financial Consultant required to be filed with, the Fiscal Agent pursuant to Section 2.04(a) (or similarly purposed section, if different) of the Fiscal Agent Agreement, and no such redemption of Bonds shall occur unless such written notice is so accompanied by such Written Request of the Agency and such Cash Flow Certificate of an Independent Financial Consultant. In the event that the Fiscal Agent shall mail notice of the redemption of the 1994 Agency Bond that will produce Prepayments with respect to the 1994 Agency Bond, the Trustee shall concurrently mail notice of the redemption of Bonds pursuant to this subsection, such redemption to occur on the date fixed for such redemption of such 1994 Agency Bond. On the date of such redemption of the 1994 Agency Bond, the proceeds of such redemption shall be applied by the Trustee to pay the redemption price of Bonds pursuant to this subsection.]

(c) *Mandatory Redemption as a Result of Acceleration.* The Bonds shall be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any amounts received with respect to the 1994 Agency Bond as a result of the acceleration of amounts due on

such 1994 Agency Bond in accordance with Section 9.02 of the Fiscal Agent Agreement upon an event of default thereunder, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Bonds are to be redeemed pursuant to this subsection (c), the Trustee shall, on or prior to the redemption date, receive a Cash Flow Certificate specifying the maturity or maturities of Bonds to be redeemed and showing that the remaining payments of principal of and interest on the 1994 Agency Bond, together with other Revenues available to the Trustee, will be sufficient to pay on a timely basis the principal of and the interest on the Bonds not so redeemed when due.

Section 4.03 Notice of Redemption. In the case of any redemption of Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under this Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

[Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.]

Any notice of redemption may be expressly conditional and may be rescinded by Written Order given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Order, the Trustee shall promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Section 4.04 Selection of Bonds for Redemption. Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot and in selecting the Bonds for redemption the Trustee shall treat each Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify

the Authority in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

Section 4.05 Payment of Redeemed Bonds. If notice of redemption has been given or waived as provided in Section 4.03, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner.

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under this Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Section 4.06 Purchase in Lieu of Redemption. In lieu of redemption of any Bond pursuant to the provisions of Section 4.02, amounts on deposit in the Principal Fund or in the Redemption Fund may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Bonds so purchased shall be delivered to the Trustee for cancellation.

ARTICLE V

REVENUES AND FUNDS

Section 5.01 Establishment of Funds. There is hereby established with the Trustee and the Trustee hereby agrees to maintain the following special trust funds for the Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund (and the Debt Service Account and the Prepayment Account therein), the Interest Fund, the Principal Fund, the Cost of Issuance Fund, the Redemption Fund, the Reserve Fund, the Supplemental Reserve Fund, the Project Fund, the Expense Fund and the Local Obligation Fund.

Section 5.02 Deposit of Proceeds of Bonds and Other Moneys. The proceeds received from the sale of the Bonds in the amount of \$_____ (consisting of the aggregate principal amount of the Bonds of \$_____, [plus/less net] original issue [premium/discount] of \$_____, less underwriting discount of \$_____ [, less premium for the Bond Insurance

Policy of \$_____ and less the premium for the Reserve Surety of \$_____) shall be applied by the Trustee as follows:

(a) [The Trustee shall deposit in the Reserve Fund established pursuant to Section 5.06 hereof the Reserve Policy, which is equal to the initial Reserve Fund Requirement];

(b) The Trustee shall transfer \$_____ to the 2004 Trustee to be applied to refund and redeem the 2004 Bonds; and

(c) The Trustee shall transfer \$_____ to fund the Costs of Issuance Fund.

Section 5.03 Revenue Fund. (a) All Revenues received by the Trustee shall be deposited by the Trustee into the Debt Service Account within the Revenue Fund, which account is hereby created. The Trustee shall transfer Revenues from the Debt Service Account, in the amounts and at the times specified in Sections [5.04 through 5.08 and 5.11] hereof for deposit into the following respective funds, each of which the Trustee agrees to establish and maintain, in the following order of priority, the requirements of each fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority:

- (i) Interest Fund;
- (ii) Principal Fund;
- (iii) Reserve Fund;
- (iv) Supplemental Reserve Fund;
- (v) Expense Fund; and
- (vi) Project Fund.

(b) The Authority hereby transfers in trust and assigns from time to time to the Trustee for the benefit of the Owners of the Bonds, (i) all of the Revenues; and (ii) subject to Section 5.12, all of the right, title and interest of the Authority in the 1994 Agency Bond and the Fiscal Agent Agreement. The Trustee shall be entitled to and shall receive all of 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. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the all of the rights of the Authority to the 1994 Agency Bond and the Fiscal Agent Agreement.

(c) All Revenues derived from Prepayments, or the acceleration of amounts due on 1994 Agency Bond upon an event of default thereunder and under the Fiscal Agent agreement, received by the Trustee shall be deposited in the Prepayment Account within the Revenue Fund, which account is hereby created. Amounts in the Prepayment Account shall be transferred as soon as practicable (and in any event prior to the next succeeding Interest Payment Date which is

at least [forty-five (45)] days following receipt of such Prepayment) to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.02, subject to the terms of Section 4.06.

Section 5.04 Interest Fund. The Trustee shall deposit in the Interest Fund not later than each Interest Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to the interest on the Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Bonds on such date from the Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.05 Principal Fund. The Trustee shall deposit in the Principal Fund not later than each Principal Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to the principal on the Bonds due on such date. On each Principal Payment Date, the Trustee shall pay the principal due and payable on the Bonds on such date from the Principal Fund. All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal on Bonds as it shall become due and payable.

Section 5.06 Reserve Fund. [The Trustee shall deposit in the Reserve Fund not later than each Interest Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to the Reserve Fund Requirement].

No deposit need be made into the Reserve Fund so long as there shall be on deposit therein an amount equal to the Reserve Fund Requirement. All money in or credited to the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account [or the Term Bonds Sinking Account] in such order, in the event of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date [or Sinking Account Payment Date], or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Authority is not in default hereunder, any amount in the Reserve Fund in excess of the Reserve Fund Requirement shall be transferred to the Tax Increment Fund.

On any date on which Bonds are defeased in accordance with Section 11.02 hereof, the Trustee shall, if so directed in a Written Request of the Authority, transfer any moneys in the Reserve Fund in excess of the Reserve Fund Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Authority, to be applied to such defeasance.

If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Parity Debt or withdraws funds from the Reserve Fund to pay principal and interest on the Bonds and any Parity Debt, the Trustee shall notify the Authority in writing of such failure or withdrawal, as applicable.

The Authority may, with the prior written consent of [Bond Insurer], deposit any Qualified Reserve Fund Credit Instrument to the Reserve Fund established for the Bonds in lieu of a cash deposit into the Reserve Fund.

The prior written consent of [Bond Insurer] shall be a condition precedent to the deposit of any Qualified Reserve Fund Credit Instrument credited to the Reserve Fund established for Bonds in lieu of a cash deposit into the Reserve Fund. Amounts drawn under the Reserve Policy shall be available only for the payment of scheduled principal and interest on the Bonds, respectively, when due.

The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) of Section 12.15 hereof and to provide notice to [Bond Insurer] in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Bonds, respectively. Where deposits are required to be made by the Authority with the Trustee to the debt service fund for the Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to [Bond Insurer] of any failure of the Authority to make timely payment in full of such deposits within two Business Days of the date due.

Section 5.07 Supplemental Reserve Fund. [The Trustee shall deposit in the Supplemental Reserve Fund not later than each Interest Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to _____. The amount on deposit in the Supplemental Reserve Fund shall be maintained in an amount not less than as set forth in the table below and commencing on September 1, 20__, amounts in excess of such amounts as of September 1 of each year set forth in the table below shall be transferred to the Project Fund]:

Principal Payment Date (September 1)	Supplemental Reserve Fund Deposit
2015	\$
2016	
2017	
2018	
2019	
2020	
2021	
2022	

The principal of and redemption premium

Section 5.08 Expense Fund. The Trustee shall deposit in the Expense Fund not later than each Interest Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to [annual costs of the Authority, the Trustee and the Bond Insurer].

Section 5.09 Cost of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a

Requisition of the Authority filed with the Trustee, which shall be in substantially the form attached hereto as Exhibit B. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. In no event shall moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of the Bonds, or upon earlier receipt of a Written Order of the Authority stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to each Fiscal Agent for deposit in the tax increment fund (or similarly purposed fund if named differently) in proportion to the original amount deposited in the Cost of Issuance Fund by such Fiscal Agent. The Trustee shall then close the Costs of Issuance Fund.

Section 5.10 Redemption Fund. (a) All moneys held in or transferred to the Redemption Fund pursuant to Section 5.03(b) shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Bonds pursuant to Section 4.02 or Section 4.06.

(b) The Trustee shall use amounts in the Redemption Fund solely for the payment of the redemption price of Bonds called for redemption pursuant to Sections 4.02 or the purchase price of Bonds purchased pursuant to Section 4.06 (accrued interest to the redemption or purchase date on such Bonds shall be paid from the Interest Fund).

Section 5.11 Establishment and Application of Project Fund.

(a) The Trustee shall deposit in the Project Fund not later than each Interest Payment Date from the Debt Service Account Revenues remaining for application in accordance with Section 5.03. The moneys in the Project Fund shall be disbursed to pay costs of public capital improvements in accordance with Section 6546 of the California Government Code.

(b) Before any payment from the Project Fund shall be made, an Authorized Officer shall file or cause to be filed with the Trustee a written requisition of an Authorized Officer (the "**Written Requisition**") which shall be in substantially the form attached hereto as Exhibit C.

(c) Following receipt of each such Written Requisition, the Trustee shall pay the amount set forth in such Written Requisition as directed by the terms thereof out of the Project Fund. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Approval of the Authority shall not be required as a prerequisite to payment requested pursuant to Written Requisitions.

(d) Upon the receipt by the Trustee of a Written Order of an Authorized Officer, the Trustee shall close the Project Fund and transfer any remaining balance in the Project Fund into the Redemption Fund. [The moneys in the Redemption Fund shall be used and applied (in accordance with Section 4.02(b) hereof), at the Written Order of an Authorized Officer (unless some other application of such moneys is requested by an Authorized Officer.)]

(e) In the event of an election of an Authorized Officer to redeem all of the Bonds pursuant to Section 4.02(b) hereof or an Event of Default which causes acceleration of the Bonds

pursuant to Section 4.02(c) hereof, any monies then remaining in the Project Fund shall be transferred to the Redemption Fund.

Section 5.12 Local Obligation Fund; Custody of 1994 Agency Bond. In accordance with this Indenture, the 1994 Agency Bond shall be deposited in or otherwise credited to the Local Obligation Fund, which the Trustee shall establish and maintain. The 2004 Trustee shall retain possession of the 1994 Agency Bond so long as the 2004 Authority Bonds remain outstanding within the meaning of the 2004 Indenture. At such time as the 2004 Authority Bonds are no longer outstanding within the meaning of the 2004 Indenture, the Authority represents that it has instructed the 2004 Trustee [pursuant to the Instruction Agreement] to transfer possession of the 1994 Agency Bond to the Trustee, as assignee of the Authority, and the Authority hereby instructs the Trustee to thereupon hold the 1994 Agency Bond in trust for the benefit of the Owners of the Bonds. The Trustee hereby agrees to accept delivery of the 1994 Agency Bond from the 2004 Trustee as set forth above and upon receipt of the 1994 Agency Bond from the 2004 Trustee, the Trustee agrees to hold the 1994 Agency Bond as custodian in trust for the benefit of the Owners of the Bonds.

Section 5.13 Reserve Policy Payment and Reimbursement Provisions. [The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

(a) The Authority shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by [Bond Insurer] and shall pay interest thereon from the date of payment by [Bond Insurer] at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the outstanding Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as [Bond Insurer] shall specify. If the interest provisions of this subparagraph (b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by [Bond Insurer], with the same force and effect as if the Authority had specifically designated such extra sums to be so applied and [Bond Insurer] had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

(c) The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Indenture). Amounts in respect of Policy Costs paid to [Bond Insurer] shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to [Bond Insurer] on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

(d) All cash and investments in the Reserve Fund shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Qualified Reserve Fund Credit Instrument credited to the Reserve Fund in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section, [Bond Insurer] shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Bonds, if any, or (ii) remedies which would adversely affect owners of the Bonds.

(f) The Authorizing Document shall not be discharged until all Policy Costs owing to [Bond Insurer] shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(g) The Authority shall include any Policy Costs then due and owing [Bond Insurer] in the calculation of the additional bonds test.

(h) The Authority will pay or reimburse [Bond Insurer] any and all reasonable charges, fees, costs, losses, liabilities and expenses which [Bond Insurer] may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture or any document executed in connection with the Bonds (the "Related Documents"), including defending, monitoring or participating in

any litigation or proceeding (including any bankruptcy proceeding in respect of the Authority) relating to Authorizing Document or any other Related Document, any party to the Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Indenture or any other Related Document, if any, or the pursuit of any remedies under the Indenture or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Indenture, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by [Bond Insurer] to cure a default or termination or similar event (or to mitigate the effect thereof) under the Indenture or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of [Bond Insurer] spent in connection with the actions described in clauses (ii) through (v) above. [Bond Insurer] reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Authority hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by [Bond Insurer] until the date [Bond Insurer] is paid in full.

(i) The obligation of the Authority pay all amounts due to [Bond Insurer] shall be an absolute and unconditional obligation of the Authority and will be paid or performed strictly in accordance with the provisions of this Section, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Bonds, the Indenture or any other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Bonds, the Indenture or any other Related Documents; (iv) whether or not such Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Authority may have at any time against the Trustee or any other person or entity other than the Bond Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Bond Insurer under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

(j) The Authority shall fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the Bond Insurer) of the Indenture applicable to it, each of the provisions thereof being expressly incorporated into this Section by reference solely for the benefit of [Bond Insurer] as if set forth directly herein. No provision of the Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of [Bond Insurer], in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Authority hereunder or the priority accorded to the reimbursement of Policy Costs under the Indenture.

(k) The Authority covenants to provide to [Bond Insurer], promptly upon request, any information regarding the Bonds or the financial condition and operations of the Authority and the Agency as reasonably requested by [Bond Insurer]. The Authority will permit [Bond Insurer] to discuss the affairs, finances and accounts of the Authority and the Agency or any information [Bond Insurer] may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable [Bond Insurer] to have access to the facilities, books and records of the Authority and the Agency on any Business Day upon reasonable prior notice.]

ARTICLE VI

SECURITY FOR AND INVESTMENT OF MONEYS

Section 6.01 Security. All moneys required to be deposited with or paid to the Trustee in any of the Funds referred to in any provision of this Indenture [(except the Project Fund, the Expense Fund and the Local Obligation Fund)] shall be held by the Trustee in trust, and except for moneys held for the payment or redemption of Bonds or the payment of interest on Bonds pursuant to Section 12.02, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created hereby.

Section 6.02 Investment of Funds. So long as the Bonds are Outstanding and there is no default hereunder, moneys on deposit to the credit of the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund, the Supplemental Reserve Fund, the Project Fund and the Cost of Issuance Fund and all accounts within such funds shall, at the request of an Authorized Officer, which may be telephonic if confirmed in writing within two (2) Business Days, specifying and directing that such investment of such funds be made, be invested by the Trustee in Permitted Investments, and moneys held in the Redemption Fund shall, at the request of an Authorized Officer, which may be telephonic if confirmed in writing within two (2) Business Days, specifying and directing that such investment of such funds be made, be invested by the Trustee in Federal Securities, and the Trustee shall be entitled to rely on such instructions for purposes of this section; provided that Permitted Investments purchased with amounts on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity of not greater than five (5) years; provided further, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. If no such instructions are provided, the Trustee shall invest such funds in Permitted Investments described in clause (6) of the definitions thereof, and the Trustee shall thereupon immediately request investment instructions from the Authority. The Trustee shall not be responsible for any losses or consequences of any investment if it follows such instructions in good faith. The Trustee and its affiliates may act as principal, agent, sponsor or otherwise with respect to any Permitted Investment.

The securities purchased with the moneys in each such Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the moneys in any such Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Indenture, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of

effecting the same. The Trustee shall not be liable or responsible for any consequences resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to this section.

Any deficiency in the Reserve Fund resulting from a decline in market value shall be restored to the Reserve Fund Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under the Indenture shall be valued at least annually.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, and the Cost of Issuance Fund may be commingled at the Written Order of the Authority for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided in this Indenture.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 6.03 Rights With Respect to 1994 Agency Bond. The Trustee, as assignee of the Authority's rights pursuant to Sections 5.03 and 5.12, shall receive all amounts due from the Agency pursuant to the 1994 Agency Bond and the Fiscal Agent Agreement and, subject to its rights hereunder, shall enforce, and take all steps, actions and proceedings reasonably necessary for (i) the enforcement of all of the rights of the Authority under the 1994 Agency Bond and the Fiscal Agent Agreement and for the enforcement of all of the obligations of the City under the 1994 Agency Bond and the Fiscal Agent Agreement and [(ii) the enforcement of all of the obligations of the Agency thereunder]. The Trustee shall not be required to take notice or be deemed to have notice of the occurrence of any event of default by the Agency under the Fiscal Agent Agreement, except the failure of the Agency to make payments to the Fiscal Agent, unless the Trustee shall be specifically notified thereof by the Authority or otherwise has actual notice thereof.

As may then be permitted by applicable law, the Authority, the Trustee, the Fiscal Agent, the Agency, as applicable, may at any time amend or modify the Fiscal Agent Agreement, but only (a) if the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment or modification; provided, however, that no such amendment or modification shall (i) extend the maturity of or reduce the amount of interest or principal payments on the 1994 Agency Bond, or otherwise alter or impair the obligation of the Agency to pay the principal, interest or redemption premiums on the 1994 Agency Bond at the time and place and at the rate and in the currency provided herein, without the express written consent of the Owner of each affected Bond, (ii) reduce the percentage of Bonds required for the written consent to any such modification or amendment thereof or hereof, or (iii) without its written consent thereto, modify any of the rights or obligations of the Fiscal

Agent; or (b) without the consent of the Trustee or any of the Bond Owners, if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Agency contained in the 1994 Agency Bond and the Fiscal Agent Agreement, as applicable, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the Agency so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds, in the opinion of Bond Counsel filed with the Authority and the Trustee; or

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the 1994 Agency Bond or the Fiscal Agent Agreement or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds, in the opinion of Bond Counsel filed with the Authority and the Trustee.

The Trustee shall be entitled to rely upon the opinion of Bond Counsel stating that the requirements of this Section 6.03 have been met with respect to any amendment or modification of any of the 1994 Agency Bond or the Fiscal Agent Agreement.

The Authority covenants that it will not instruct the Trustee to sell the 1994 Agency Bond without the prior written consent of the [Bond Insurer]. The Authority further agrees that the same entity at all times shall be the trustee under this Indenture and the fiscal agent under the Fiscal Agent Agreement.

ARTICLE VII

COVENANTS OF THE AUTHORITY

Section 7.01 Payment of Bonds; No Encumbrances. The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged hereunder, the principal of and redemption premium, if any, and the interest on every Bond issued under and secured by this Indenture at the place, on the dates and in the manner specified in this Indenture and in such Bonds according to the true intent and meaning thereof. The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Bonds.

Section 7.02 Enforcement and Amendment of 1994 Agency Bond. The Authority shall enforce all of its rights with respect to the 1994 Agency Bond to the fullest extent necessary to preserve the rights and protect the security of the Owners under this Indenture. The Authority hereby covenants to take such actions as may be reasonable and necessary to compel the County Auditor-Controller to transfer to the Debt Service Fund held by the Fiscal Agent under the Fiscal Agent Agreement, and in accordance with the Dissolution Act, all amounts set forth in any duly approved Recognized Obligation Payment Schedule (“*ROPS*”) with respect to principal and interest payments due on the 1994 Agency Bond and any senior and/or parity obligations, and

any deficiency in the related reserve accounts for such 1994 Agency Bond and parity obligations related thereto, if any.

The Authority and the Trustee may, without the consent of or notice to the Owners, consent to any amendment, change or modification of the 1994 Agency Bond that may be required (a) to conform to the provisions of this Indenture (including any modifications or changes contained in any Supplemental Indenture), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of such 1994 Agency Bond, (d) in connection with any other change therein which is not to the material prejudice of the Trustee or the owners of the Bonds pursuant to an Opinion of Bond Counsel, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption from California personal income tax. [So long as the [Bond Insurer] shall be in compliance with its payment obligations under the Bond Insurance Policy, the [Bond Insurer] shall be deemed to be the sole owner of the 1994 Agency Bond for purposes of such consent.]

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the 1994 Agency Bond without the mailing of notice and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as in this section provided. If at any time the Authority or the Agency, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a 1994 Agency Bond, the Trustee shall, upon being satisfactorily indemnified with respect to reasonable expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 13.04 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners. Nothing contained in this section shall be construed to prevent the Trustee, with the consent of the Authority, from settling a default under the 1994 Agency Bond on such terms as the Trustee may determine to be in the best interests of the Owners.

Section 7.03 Further Documents. The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Indenture; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the Authority, any member of the Authority, the Agency, the City, the State of California, or any political subdivision thereof.

Section 7.04 Maintenance of Existence. The Authority shall maintain its existence, powers and authority as a joint powers authority under California law.

Section 7.05 Continuing Disclosure. So long as any of the Bonds are Outstanding, the Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, the Trustee (at the request of any

Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Bondowners or Beneficial Owners of at least 25% aggregate principal amount of Bonds Outstanding) shall take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this section and the Continuing Disclosure Certificate. For purposes of this section, “Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Section 7.06 Notifications Required by the Act. The Trustee shall notify the Authority in writing if the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and shall notify the Authority in writing of any withdrawal of funds from [any reserve fund] to pay principal and interest on a 1994 Agency Bond, and, in accordance with Section 6599.1(c) of the Act, the Authority shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal, as applicable, within 10 days of the failure or withdrawal, as applicable.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01 Events of Default. The following shall constitute “Events of Default” hereunder:

- (a) if payment of interest on the Bonds shall not be made when due; or
- (b) if payment of any Principal Installment shall not be made when due and payable, whether at maturity, by proceedings for redemption, by acceleration or otherwise; or
- (c) if the Authority shall fail to observe or perform in any material way any agreement, condition, covenant or term contained in this Indenture on its part to be performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owner(s) of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, provided, that if such default (other than a default arising from nonpayment of the Trustee’s fees and expenses) be such that it cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such thirty (30) day period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or
- (d) the Authority or the Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Within five Business Days after obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall notify the [Bond Insurer] thereof. “Actual knowledge” shall mean the actual knowledge of a Responsible Officer of the Trustee.

Section 8.02 Action on Default. Upon the happening and continuance of any Event of Default, the Trustee in its discretion may, or at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, upon notice in writing to the Authority, take whatever action at law or in equity as may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 8.03 hereof.

Section 8.03 Other Remedies of the Trustee. During the continuance of an Event of Default, the Trustee shall have the right to do the following:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;
- (b) bring suit upon or otherwise enforce a defaulting 1994 Agency Bond;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;
- (d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and
- (e) take such action with respect to the 1994 Agency Bond or Permitted Investments as the Trustee shall deem necessary and appropriate, subject to Section 9.02 and to the terms of the Fiscal Agent Agreement, 1994 Agency Bond or Permitted Investments.

Section 8.04 Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights under this Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 8.05 Rights of Owners. Anything in this Indenture to the contrary notwithstanding, subject to the limitations and restrictions as to the rights of the Owners in Sections 8.01, 8.02, 8.03 and 8.06, upon the happening and continuance of any Event of Default, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Indenture.

The Trustee may refuse to follow any direction that conflicts with applicable laws, this Indenture or that the Trustee determines is prejudicial to rights of other Owners or would subject the Trustee to personal liability without adequate indemnification therefor.

Section 8.06 Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under this Indenture, or any other remedy under this Indenture or on the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Indenture, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the execution of the trusts of this Indenture or for any other remedy under this Indenture, it being understood and intended that no one or more Owners of the Bonds secured by this Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any rights under this Indenture or under the Bonds, except in the manner provided in this Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in this Indenture, and for the equal benefit of all Owners of Outstanding Bonds; subject, however, to the provisions of this section. Notwithstanding the foregoing provisions of this section, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the principal of and the redemption premium, if any, and the interest on the Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Section 8.07 Power of Trustee to Enforce. All rights of action under this Indenture or under any of the Bonds secured by this Indenture which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions of this Indenture.

Section 8.08 Remedies Not Exclusive. No remedy in this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

Section 8.09 Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds the Trustee shall waive any Event of Default hereunder and its consequences. The Trustee may waive any Event of Default hereunder and its consequences at any time. If any Event of Default shall have been waived as herein provided, the Trustee shall promptly give written notice of such waiver to the Authority and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Bonds if such Owners had previously been given notices of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 8.10 Application of Moneys. Any moneys received by the Trustee pursuant to this Article shall, after payment of all fees and expenses of the Trustee, and the reasonable fees and expenses of its outside counsel, if any, incurred in connection with the performance of the Trustee's duties hereunder, be applied as follows:

(a) to the payment of the Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

(b) to the payment of the Owners entitled thereto of the unpaid principal of and redemption premium, if any, and any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premium, if any, on such Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(c) to be held for the payment to the Owners entitled thereto as the same shall become due of the principal of and redemption premium, if any, on and interest on the Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such principal and redemption premium, if any, due on any particular date, together with interest then due and owing thereon, payment shall be made in accordance with paragraphs (a) and (b) hereof.

Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of

additional moneys becoming available for such application in the future. The Trustee shall give prompt notice to the Owner of the deposit with it of any such moneys.

ARTICLE IX

THE TRUSTEE

Section 9.01 Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Authority agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree.

Section 9.02 Duties, Immunities and Liability of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and no implied duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or upon receipt of a written request of the [Bond Insurer] stating good cause, or upon receipt of a written request of the [Bond Insurer] following an Event of Default (irrespective of cause), or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to (d) below, resign by giving written notice of such resignation to the Authority and the [Bond Insurer] and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing, and shall notify the [Bond Insurer] of such appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee

appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee and the [Bond Insurer] a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Authority or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this section shall be a trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a bank, trust company or bank holding company which is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, trust company or bank holding company 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 subsection the combined capital and surplus of such bank, trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign immediately in the manner and with the effect specified in this section.

(f) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee security or indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred.

(g) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority of the funds under this Indenture.

(i) The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing the 1994 Agency Bond. The Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or the 1994 Agency Bond or of financing statements (or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing the 1994 Agency Bond. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity, sufficiency or priority of any such document, collateral or security of the Bonds.

(j) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof at the Trustee's Principal Corporate Trust Office.

(k) The Trustee shall not be accountable for the use or application by the Authority or any other party of any funds which the Trustee has released under this Indenture.

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to this Indenture to the Authority within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end of such period. Such accounting shall show in reasonable detail all financial transactions made by the Trustee during the accounting period and the balance in any Funds and accounts created under this Indenture as of the beginning and close of such accounting period.

(m) 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.

(n) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein.

(o) The Trustee may appoint and act through an agent and shall not be responsible for any misconduct or negligence of any such agent appointed with due care.

Section 9.03 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 such company shall be eligible under subsection (e) of Section 9.02, shall succeed to the rights and obligations of such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9.04 Compensation. The Authority shall pay the Trustee a reasonable compensation for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including reasonable attorney's and agent's fees, and expenses incurred by the Trustee in the performance of its obligations hereunder.

[The Authority agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed by this Indenture, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties hereunder (ii) the 1994 Agency Bond; (iii) the sale of any Bonds or the exchange and delivery of the 1994 Agency Bond and the carrying out of any of the transactions contemplated by the Bonds or the 1994 Agency Bond; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or under its authority in connection with the sale of the Bonds or the 1994 Agency Bond. The Authority's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation, or removal of the Trustee.]

[The City agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed by this Indenture, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties hereunder (ii) the 1994 Agency Bond; (iii) the sale of any Bonds or the exchange and delivery of the 1994 Agency Bond and the carrying out of any of the transactions contemplated by the Bonds or the 1994 Agency Bond; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or under its authority in connection with the sale of the Bonds or the 1994 Agency Bond. The City's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation, or removal of the Trustee.]

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for sale of the Bonds are satisfied, or that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Bonds and other certificates expressly required to be delivered by it and its counsel.

The Trustee shall be entitled to rely on the covenants, representations and warranties contained in the Fiscal Agent Agreement and in the 1994 Agency Bond and in the documents and certificates delivered in connection with the delivery of the Bonds.

Section 9.05 Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee does not assume any

responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of this Indenture or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of this Indenture) of the Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of this Indenture) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder. Whether or not therein expressly so provided, every provision of this Indenture or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

Section 9.06 Right to Rely on Documents. The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection for any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Indenture, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

Section 9.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Authority, the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 9.08 Indemnity for Trustee. Before taking any action or exercising any rights or powers under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

Section 10.01 Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in Person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

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

(b) The fact of the ownership of Bonds under this Indenture by any Owner and the serial numbers of such Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which to it may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond and any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI

MODIFICATION OF INDENTURE AND SUPPLEMENTAL INDENTURES

Section 11.01 Supplemental Indentures Without Consent of Owners. The Authority may, without the consent of the Owners, enter into any Supplemental Indenture, which thereafter shall form a part of this Indenture, for any one or more of the following purposes:

- (a) to add to the agreements and covenants of the Authority contained in this Indenture other agreements and covenants thereafter to be observed, or to surrender any right or power in this Indenture reserved to or conferred upon the Authority; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;
- (b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in this Indenture or in any Supplemental Indenture;
- (c) to make any change which does not materially adversely affect the rights of any Owner;
- (d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;
- (e) to subject to this Indenture additional collateral or to add other agreements of the Authority;
- (f) to modify this Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;
- (g) [to make any change necessary or appropriate to accommodate changes to the Dissolution Act; provided, that no such change shall permit the creation by the Authority of any lien prior to or on a parity with the lien of this Indenture upon the Trust Estate or which will affect the times, amounts and currency of payment of the principal of or the redemption premium, if any, on or the interest on the Bonds]; or
- (h) to evidence the succession of a new Trustee.

The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, any particular Bond would be affected by any such modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Authority and all Owners of Bonds. For all purposes of this section, the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, with respect to the extent, if any, to which any action affects the rights under this Indenture of any Owner.

Section 11.02 Trustee Authorized to Enter into Supplemental Indenture. The Trustee is hereby authorized to enter into any Supplemental Indenture with the Authority authorized or permitted by the terms of this Indenture, and to make the further agreements and stipulations which may be therein contained, and for all purposes of this section, the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, to the effect that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

Section 11.03 Supplemental Indentures With Consent of Owners. Any modification or alteration of this Indenture or of the rights and obligations of the Authority or of the Owners of the Bonds may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and the consent of the [Bond Insurer]; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Bonds the consent of the Owners of which is required for any such modification or alteration, or permit the creation by the Authority of any lien prior to or on a parity with the lien of this Indenture upon the Trust Estate or which will affect the times, amounts and currency of payment of the principal of or the redemption premium, if any, on or the interest on the Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

Section 11.04 Notice and Information Requirements. The Authority shall deliver a copy of any modification or amendment to this Indenture to the [Bond Insurer] and S&P at least ten days prior to the effective date thereof. After the effective date, the Authority shall deliver to the [Bond Insurer] a full transcript of the original documents and proceedings relating to such modification or amendment.

ARTICLE XII

DEFEASANCE

Section 12.01 Defeasance. (a) If (i) the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder shall have been paid, then the Owners shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Authority hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this Section, when any Bond shall have been paid and if, at the time of such payment, the Authority shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bond and such

Bond shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Authority hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

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

Section 12.02 Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 12.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 12.01 hereof if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03 hereof, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 4.03 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond. Neither the money nor the Federal Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii)(B) of subsection (a) of this Section unless the Authority shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Authority and the Trustee, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow

agreement shall provide that no substitution of Federal Securities shall be permitted except with other Federal Securities and upon delivery of a new Verification Report and no reinvestment of Federal Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an Opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Authority and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in this Indenture, and all agreements, covenants and other obligations of the Authority hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied. [Such deliverables shall also be addressed to the [Bond Insurer]].

(c) The Trustee may seek and is entitled to rely upon (i) an Opinion of Bond Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this Section have been satisfied, and (ii) such other opinions, certifications and computations, as the Trustee may reasonably request, of accountants or other financial consultants concerning the matters described in subsection (b) of this Section.

ARTICLE XIII

BOND INSURANCE

Section 13.01 Bond Insurance Payment and Reimbursement Provisions. [The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

(a) The Authority agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer allocable to unpaid debt service on the Insured Bonds under the Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus [3%], and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates, each including from amounts paid to the Authority by the Authority to the extent allocable to unpaid debt service on the Insured Bonds. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the [1994 Agency Bond] on a parity debt service due on the Insured Bonds.

(b) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Authority and the Authority to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(c) The Authority shall pay or reimburse the Bond Insurer, any and all charges, fees, costs and expenses allocable to unpaid debt service on the Insured Bonds that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

(d) After payment of the amounts payable under Section 10.02 hereunder, the reasonable expenses of the Authority Trustee, the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Reserve Fund to the Reserve Fund Requirement, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate.

(e) The Authority will permit the Bond Insurer to discuss the affairs, finances and accounts of the Authority and the Agency or any information the Bond Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Authority and the Agency and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Authority and the Agency on any Business Day upon reasonable prior notice.

(f) The Trustee shall notify the Bond Insurer of any failure of the Authority or the Agency to provide notices, certificates and other information under this Indenture.

(g) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

(h) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Bonds or the rights of the Bondowners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

(i) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(j) Any interest rate exchange agreement ("Swap Agreement") entered into by the Authority and/or Agency shall meet the following conditions: (i) the Swap Agreement must be

entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Bonds and on any debt on parity with the Insured Bonds. The Authority and/or Agency shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Authority and/or Agency to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

Section 13.02 Bond Insurer Notice Provisions. The Bond Insurer shall be provided with the following information by the Authority, Agency or Trustee, as the case may be:

(a) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Agreement), provided, however, that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date, and such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(b) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of the Insured Bonds;

(c) Notice of any default actually known to a Responsible Officer of the Trustee or Authority within five Business Days after knowledge thereof;

(d) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(e) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(f) Notice of the commencement of any proceeding by or against the Authority or Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(g) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(h) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(i) All reports, notices and correspondence to be delivered to Bondowners under the terms of the Related Documents.

(j) In addition, to the extent that the Authority or the Agency has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(k) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(l) Notwithstanding the foregoing, the Bond Insurer agrees to receive notice, and shall be deemed to have received notice in satisfaction of the provisions set forth in this Section, by filings made (or caused to be made) by the Authority or the Agency through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board, currently located at <http://emma.msrb.org>. The Authority or the Agency, as applicable, will use good faith efforts to provide notice (by first class mail or facsimile or electronic mail) of such filings to the Bond Insurer.]

ARTICLE XIV

MISCELLANEOUS

Section 14.01 Dissolution of Authority. In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained in this Indenture by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

Section 14.02 Parties Interested Herein. Except as in this Indenture otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any Person other than the Authority, the Trustee and the Owners of the Bonds issued under this Indenture and the [Bond Insurer] any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of the Bonds issued under this Indenture and the [Bond Insurer].

Section 14.03 Bond Insurer as Third Party Beneficiary. [The Bond Insurer is hereby expressly made a third party beneficiary of the Indenture and each of the other Related Documents.]

Section 14.07 Governing Law. The Indenture shall be governed as to validity, construction and performance by the laws of the State.

Section 14.08 Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period from and after such nominal date.

Section 14.09 Limitation of Liability. The Authority shall not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than the Trust Estate as provided herein. The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute indebtedness or an obligation of the Authority, the members and officers of the Authority, the Agency, the City, the State of California or any other political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a special obligation of the Authority, payable solely from the Trust Estate duly pledged therefor. Neither the faith and credit nor the taxing power of the Authority, any member of the Authority, the Agency, the City, the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

No City Council member or officer or employee of the City shall be individually or personally liable for the payment of the principal of, premium, if any, and the interest on the Bonds or the 1994 Agency Bond; but nothing herein contained shall relieve any City Council member or officer or employee Authority, the City or the Agency from the performance of any official duty provided by law.

Section 14.10 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or prepayment premium, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid by the Trustee to the Authority as its absolute property 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 amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, give notice by first class mail to all Owners and to the Securities Depository and the MSRB that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

Section 14.11 Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and

pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 13.09 hereof, but without any liability for interest thereon.

IN WITNESS WHEREOF, the Authority has caused this Indenture of Trust to be executed by its [Chairman], and the Trustee has caused this Indenture of Trust to be executed by its authorized officer, all as of the day and year first above written.

**HUNTINGTON PARK PUBLIC FINANCING
AUTHORITY**

By _____
[Chairman]

**U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE**

By _____
Authorized Officer

EXHIBIT A

[FORM OF BOND]

**HUNTINGTON PARK PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS,
SERIES 2015 (FEDERALLY TAXABLE)**

No. R- _____ \$ _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NUMBER
_____%	September 1, 20__	_____, 2015	____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

THE HUNTINGTON PARK PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency established pursuant to the laws of the State of California (the “Authority”), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above in lawful money of the United States of America; and to pay interest thereon at the interest rate per annum set forth above in like lawful money from the date hereof. The interest on this Bond will be payable on March 1 and September 1 in each year (each an “Interest Payment Date”), commencing on September 1, 2015. The principal hereof and redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank National Association (together with any successor as trustee under the Indenture hereinafter mentioned, the “Trustee”). Interest hereon is payable by check, mailed by first class mail, on each interest payment date to the owner whose name appears on the Bond Register maintained by the Trustee as of the close of business on the fifteenth day of the month preceding the month in which the interest payment date occurs (the “Record Date”), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of an owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such owner to the Trustee received not later than the Record Date, such interest shall be paid on the interest payment date in immediately available funds by wire transfer. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Authority and the Trustee may deem and treat the owner of this Bond as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, and the Authority and the Trustee shall not be affected by notice to the contrary.

No member or officer of the Authority, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Bond is one of a duly authorized issue of bonds of the Authority designated as “Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable)” issued in the aggregate principal amount of _____ dollars (\$_____) pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code, Sections 6584-6594) as amended and supplemented (the “Act”), and pursuant to an Indenture of Trust, dated as of ____ 1, 2015, by and between the Authority and the Trustee (the “Indenture”). The Bonds are issued for the purpose of providing funds to refund and redeem the 2004 Bonds, and reference is hereby made to the Indenture (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the purposes thereof, of the rights thereunder of the owners of the Bonds, of the nature and extent of the security for the Bonds and of the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all the provisions of which Indenture, the owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon and any redemption premium thereon are special obligations of the Authority payable solely from the Trust Estate (as that term is defined in the Indenture) and are secured by the Trust Estate, including amounts held in the funds and accounts established pursuant to the Indenture (including proceeds of the sale of the Bonds), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL OF AND ANY REDEMPTION PREMIUM ON OR INTEREST ON THE BONDS IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE INDENTURE, SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR ANY REDEMPTION PREMIUM ON OR INTEREST ON THE BONDS EXCEPT FROM THE TRUST ESTATE. NEITHER THE STATE OF CALIFORNIA NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR ANY REDEMPTION PREMIUM ON OR INTEREST ON THE BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR ANY REDEMPTION PREMIUM ON OR INTEREST ON THE BONDS, AND NEITHER THE PRINCIPAL OF OR ANY REDEMPTION PREMIUM ON OR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to redemption at the times, in the manner, at the redemption prices and upon notice as specified in the Indenture.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. This Bond may be transferred or exchanged by the owner hereof, in person or by an attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds, of authorized denominations, for the same aggregate principal amount, interest rate, and maturity will be issued to the transferee in accordance with the provisions of the Indenture. The Trustee is not required to register the transfer of, or to exchange, any Bond during a period commencing on or after the fifteenth (15th) business day immediately preceding the date on which the notice of redemption is scheduled to be mailed and ending on the date scheduled for redemption of any Bonds selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds may be modified or amended from time to time and at any time (and in certain cases without the consent of the owners) in the manner, to the extent, and upon the terms provided in the Indenture.

It is hereby certified and recited that any and all conditions, things 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 laws of the State of California, including the Act, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution and laws of the State of California, including the Act, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

IN WITNESS WHEREOF, the Huntington Park Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its [Chairman] and attested by the manual or facsimile signature of its Secretary, all as of the dated date first set forth above.

**HUNTINGTON PARK PUBLIC FINANCING
AUTHORITY**

By _____
[Chairman]

ATTEST:

Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture, which has been authenticated on the date below.

DATED: _____

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

By: _____

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

Date:

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of this Bond in every particular, without alteration or enlargement or any change whatsoever. The signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

Signature Guaranteed:

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

EXHIBIT B

[FORM OF COST OF ISSUANCE REQUISITION]

The Huntington Park Public Financing Authority (the "Authority") hereby requests U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Indenture of Trust, dated as of _____ 1, 2015 (the "Indenture"), by and between the Authority and the Trustee with respect to the Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable), to pay from money in the Costs of Issuance Fund established pursuant to Section 5.01 of the Indenture (the "Costs of Issuance Fund"), the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

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

The undersigned hereby certifies as follows:

Each obligation mentioned herein is a Cost of Issuance as defined in the Indenture, has been properly incurred and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund

Dated: _____, 20__

**HUNTINGTON PARK PUBLIC
FINANCING AUTHORITY**

By: _____

SCHEDULE I

Costs of Issuance Fund – Series 2015 (Federally Taxable)

Payee	Purpose	Amount
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EXHIBIT C

[FORM OF PROJECT FUND REQUISITION]

FOR MONEY FROM THE PROJECT FUND

Requisition No.: P-__ (to be sequentially numbered)

The Huntington Park Public Financing Authority (the "Authority") hereby requests U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Indenture of Trust, dated as of ____ 1, 2015 (the "Indenture"), by and between the Authority and the Trustee with respect to the Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable), to pay from money in the Project Fund established pursuant to Sections 5.01 and 5.11 of the Indenture (the "Project Fund"), the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

The payees, the purpose for which the costs have been incurred and the amount of the disbursement requested are itemized on Schedule I hereto and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule I or the invoice submitted in accordance therewith and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Project Fund and is not a Cost of Issuance. None of the items for which payment is requested has been reimbursed previously from the Project Fund.

Attached hereto is an original invoice or invoices or evidence of an Authorized Officer's payments of an invoice when such requisition is in reimbursement thereof.

Dated: _____, 20__

**HUNTINGTON PARK PUBLIC
FINANCING AUTHORITY**

By: _____

SCHEDULE I

Project Fund – Series 2015 (Federally Taxable)

Payee	Purpose	Amount
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ESCROW AGREEMENT

by and between

HUNTINGTON PARK PUBLIC FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of _____ 1, 2015

with respect to the

**Huntington Park Public Financing Authority
Refunding Revenue Bonds
2004 Series A**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of ____ 1, 2015, is by and between the HUNTINGTON PARK PUBLIC FINANCING AUTHORITY and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as Prior Trustee (as defined herein), and as escrow agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), the City Council of the City of Huntington Park (the “City”) created the former Huntington Park Redevelopment Agency (the “Former CDC”); and

WHEREAS, in 2004, the Authority issued its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “Series 2004 Bonds”) in the aggregate principal amount of \$55,875,000, payable from principal and interest payments on the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 CDC Bonds”) attributable to the Merged Redevelopment Project; and

WHEREAS, the 1994 CDC Bonds were issued under a Fiscal Agent Agreement, dated as of May 1, 1994 (the “Fiscal Agent Agreement”), between the Former CDC and U.S. Bank National Association, as trustee (the “Fiscal Agent”); and

WHEREAS, the Series 2004 Bonds were issued under an Indenture of Trust, dated as of June 1, 2004 (the “2004 Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Prior Trustee”); and

WHEREAS, the Authority desires to undertake the refunding of its obligations under its Series 2004 Bonds (together, the “2004 Bonds”); and

WHEREAS, the Series 2004 Bonds are subject to optional redemption on any date on or after September 1, 2014 at a redemption price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the Authority has determined to cause the Series 2004 Bonds to be prepaid and redeemed on ____ 1, 2015 (the “Redemption Date”) at a redemption price equal to 102% of the principal amount of the 2004 Bonds plus accrued interest thereon; and

WHEREAS, the redemption of the related Series 2004 Bonds will be caused by the deposit of the proceeds of tax allocation refunding bonds to be issued by the Authority on or about ____ __, 2015 and, upon receipt of such proceeds and the funding of the Escrow Fund, Authority will direct the redemption of the Series 2004 Bonds; and

WHEREAS, the Authority has directed the redemption of the Series 2004 Bonds, in an aggregate principal amount of \$____, on the Redemption Date at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Series 2004 Bonds plus accrued interest thereon to the Redemption Date; and

WHEREAS, in order to provide a portion of the funds necessary to redeem the Series 2004 Bonds, the Authority has caused the issuance of its Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”), under the Indenture of Trust, dated as of ____ 1, 2015 (the “Refunding Bonds Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Authority has provided, and by this Escrow Agreement has further provided, for the call for redemption of the Series 2004 Bonds then outstanding on the Redemption Date; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Authority and the Escrow Agent agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the 2004 Indenture.

Section 2. The Escrow Fund. (a) There is hereby established a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Agent, which the Escrow Agent shall keep separate and apart from all other funds of the Authority and the Escrow Agent and which shall be applied solely as provided in this Escrow Agreement. The Escrow Fund is established for the purpose of refunding the Series 2004 Bonds.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged solely to the payment on the Redemption Date, of the Redemption Price, which amounts shall be held in trust by the Escrow Agent in accordance with the 2004 Indenture and the 2004 Indenture. The Escrow Agent acknowledges receipt of the report of [Grant Thornton LLP], with respect to the sufficiency of amounts on deposit to refund the Series 2004 Bonds on the Redemption Date, and accordingly, discharge the 2004 Assistance Agreement and the Lease Agreement.

(b) Upon the issuance of the Bonds, there shall be deposited in the Escrow Fund \$ _____ received from the proceeds of the sale of the Bonds and \$ _____, which the Authority hereby instructs the Escrow Agent (1) in its capacity as Prior Trustee to transfer to the Escrow Agent from the funds held under the 2004 Indenture, and (2) upon receipt of such proceeds and the funding of the Escrow Fund, Authority directs the redemption of the Series 2004 Bonds.

(c) Upon the deposit of moneys pursuant to Section 2(b), the moneys on deposit in the Escrow Fund will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Agent hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to hold such funds uninvested, and to make all payments required by Section 4 hereof.

(b) The Owners of the Series 2004 Bonds shall have a first and exclusive lien on the moneys in the Escrow Fund until such moneys are used and applied as provided in this Escrow Agreement.

Section 4. Payment of Series 2004 Bonds. From the uninvested money held in the Escrow Fund on the Redemption Date, the Escrow Agent, as the Prior Trustee, shall apply such amounts to pay the Redemption Price in accordance with the terms of the 2004 Indenture, such amount sized to be sufficient to pay the Redemption Price on the Redemption Date, as set forth in the table attached hereto as Exhibit A. From the uninvested money then held in the Escrow Fund, the Escrow Agent shall apply such amounts, on the Redemption Date, to pay the Redemption Price of the Series 2004 Bonds on the Redemption Date.

The amount of Series 2004 Bonds to be refunded on the Redemption Date is as set forth in the tables attached hereto as Exhibit A and in the form of notice of redemption attached hereto as Exhibit B; each bond being in authorized denominations in accordance with the 2004 Indenture, and the amount of Authority Bonds allocable to other Redevelopment Agencies as defined in the 2004 Indenture. Amounts in excess of such amount necessary to refund the Authority Refunding Bonds resulting from rounding to an authorized denomination, if any, shall be deposited in the Redemption Fund under the 2004 Indenture.

To the extent that the amount on deposit in the Escrow Fund on the Redemption Date is in excess of the amount necessary to pay the Redemption Price, such excess shall be transferred to the Trustee for deposit in the Special Fund under the Refunding Bonds Indenture.

Section 5. Irrevocable Instructions to Call Bonds and Mail Notice. The Prior Trustee is hereby irrevocably instructed, in accordance with Section ___ of the 2004 Indenture, to mail notice on or before _____, 2015 of the redemption of the Series 2004 Bonds pursuant to Section ___ of the 2004 Indenture substantially in the form attached hereto as Exhibit B. In addition, any instructions received by the Prior Trustee from Authority relating to the redemption of the Series 2004 Bonds shall constitute irrevocable instructions to redeem such Series 2004 Bonds pursuant to the terms of the 2004 Indenture. This instruction shall constitute the Authority's election with respect to defeasance, in accordance with Section ___ of the 2004 Indenture.

Section 6. Performance of Duties; Acknowledgement with Respect to Irrevocable Instructions. The Escrow Agent agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it.

Section 7. No Authority to Make Investments. The Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement. The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 8. Indemnity. To the extent permitted by law, the Authority hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

Section 9. Responsibilities of Escrow Agent. The Escrow Agent makes no representation as to the sufficiency of the moneys deposited in the Escrow Fund to accomplish the redemption of the Series 2004 Bonds pursuant to the 2004 Indenture or to the validity of this Escrow Agreement as to the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof or be required to risk or expend its own funds hereunder. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default. The Escrow Agent may consult with counsel, who may or may not be counsel to the Authority, and in reliance upon the written opinion of such counsel shall have full and

complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Authority. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent may resign by giving written notice to the Authority, and upon receipt of such notice the Authority shall promptly appoint a successor Escrow Agent. If the Authority does not appoint a successor Escrow Agent within 30 days of receipt of such notice, the resigning Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Agent. Upon acceptance of appointment by a successor Escrow Agent, the resigning Escrow Agent shall transfer all amounts held by it in the Escrow Fund to such successor Escrow Agent and be discharged of any further obligation or responsibility hereunder.

The Escrow Agent shall incur no liability in acting or proceeding in good faith upon any notice, facsimile, request, consent, waiver, or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by an authorized representative of the Authority.

Section 10. Amendments. The Authority and the Escrow Agent may (but only with the consent of the Owners of all of the Series 2004 Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement.

Section 11. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the date upon which the Series 2004 Bonds have been paid in accordance with this Escrow Agreement.

Section 12. Compensation. The Authority shall from time to time pay or cause to be paid to the Escrow Agent the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Agent for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement or otherwise.

Section 13. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 14. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 15. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

[Remainder of page intentionally left blank]

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

**HUNTINGTON PARK PUBLIC
FINANCING AUTHORITY**

By: _____
Authorized Signatory

**U.S. BANK NATIONAL ASSOCIATION, as
Prior Trustee and as Escrow Agent**

By: _____
Authorized Signatory

[Signature page to Escrow Agreement]

EXHIBIT B
FORM OF NOTICE OF REDEMPTION

\$ _____
Huntington Park Public Financing Authority
Refunding Revenue Bonds, 2015 Series (Federally Taxable)

Purchase Contract

_____, 2015

Huntington Park Public Financing Authority
6550 Miles Avenue, Suite 116
Huntington Park, California 90255

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) hereby offers to enter into this purchase contract (the “Purchase Contract”) with the Huntington Park Public Financing Authority (the “Authority”). Upon the acceptance hereof by you, this offer will be binding upon the Authority and the Underwriter. This offer is made subject to (i) the written acceptance hereof by you and (ii) withdrawal by the Underwriter upon written notice (by facsimile or otherwise) delivered to you at any time prior to the acceptance hereof by you.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Authority and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Authority; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority with respect to: (x) the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Authority on other matters); or (y) any other obligation to the Authority except the obligations expressly set forth in this Purchase Contract; and (iv) the Authority has consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The Authority acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority, at the Closing Time on the Closing Date (both as defined herein), and the Authority hereby agrees to sell and deliver to the Underwriter, \$ _____ aggregate principal amount of its Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”). The Bonds shall be dated the date of their initial delivery, and shall mature on September 1 in the years shown on Exhibit A hereto, shall bear interest at the rates shown on Exhibit A hereto and shall be subject to redemption and have such other terms as are provided in the Indenture of Trust, dated as of _____ 1, 2015 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Interest on the Bonds

shall be payable each March 1 and September 1 to maturity or earlier redemption of the Bonds, beginning September 1, 2015. The purchase price for the Bonds shall be an amount equal to \$_____ (being the aggregate principal amount thereof (\$_____.00), less an underwriter's discount of \$_____ and plus/less original issue premium/discount of \$_____). (The date of such payment and delivery is referred to herein as the "Closing Date," the hour and date of such delivery and payment is referred to herein as the "Closing Time," and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "Closing").

2. **The Bonds.** The Bonds shall be described in, and shall be issued and secured pursuant to, the provisions of the Constitution and the laws of the State of California including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 (commencing with Section 6584) of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), and the Indenture, authorizing the issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are being issued for the purpose of refunding the Authority's Refunding Revenue Bonds, 2004 Series A (the "Prior Bonds"), which are secured by the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the "1994 Agency Bonds"), which 1994 Agency Bonds were issued pursuant to a Fiscal Agent Agreement, dated as of May 1, 1994 (the "Fiscal Agent Agreement") by and between the Huntington Park Redevelopment (the "Former RDA," and as succeeded by the Successor Agency to the Community Development Commission of the City of Huntington Park, the "Agency") and State Street Bank and Trust Company of California, N.A. (predecessor to U.S. Bank National Association), as fiscal agent (the "Fiscal Agent").

The refunding of the Prior Bonds will be accomplished through an Escrow Agreement, dated as of _____ 1, 2015 (the "Escrow Agreement"), by and between the Authority and U.S. Bank National Association, as escrow agent (the "Escrow Agent").

The Bonds shall be payable and shall be subject to redemption as provided in the Indenture and shall be as described in the Preliminary Official Statement of the Authority, dated _____, 2015 (the "Preliminary Official Statement"), and the Official Statement of the Authority dated of even date herewith. Such Official Statement, including the cover page and the appendices thereto, relating to the Bonds, as amended to conform to the terms of this Purchase Contract and with such changes and amendments thereto as have been mutually agreed to by the Authority and the Underwriter, is hereinafter referred to as the "Official Statement."

This Purchase Contract, the Escrow Agreement, the Indenture and the Continuing Disclosure Agreement, dated as of _____ 1, 2015 (the "Continuing Disclosure Agreement"), by and between the Authority and Willdan Financial Services, as dissemination agent, are referred to herein as the "Authority Documents."

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

amount of the Bonds shall be issued, sold and delivered by the Authority and purchased, accepted and paid for by the Underwriter at the Closing. It is understood that the Underwriter proposes to offer the Bonds for sale to the public (which may include selected dealers) at prices or yields as set forth on the inside cover page of the Official Statement. Concessions from the public offering price may be allowed to selected dealers. It is understood that the initial public offering price and concessions set forth in the Official Statement may vary after the initial public offering. It is further understood that the Bonds may be offered to the public at prices other than the par value thereof. The net premium on the sale of the Bonds to the public, if any, shall accrue to the benefit of the Underwriter.

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

(a) The Authority hereby authorizes the use by the Underwriter of the Preliminary Official Statement and the Official Statement (including any supplements or amendments thereto) and the Indenture and the Fiscal Agent Agreement and the information therein contained, in connection with the public offering and sale of the Bonds.

(b) The Authority shall deliver to the Underwriter, within seven business days from the date hereof, such number of copies of the final Official Statement, executed on behalf of and approved for distribution by the Authority, as the Underwriter may reasonably request in order for the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board (the “MSRB”) and Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934.

(c) As soon as practicable following receipt thereof, the Underwriter shall deliver the Official Statement, and any supplements or amendments thereto, to the Electronic Municipal Market Access system (“EMMA”) through the MSRB.

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

(a) The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California.

(b) The Authority has full legal right, power and authority (i) to enter into the Authority Documents, (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions on its part contemplated by the Authority Documents and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the Authority Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds.

(d) To the best of its knowledge, the Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative

regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Indenture, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

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

(f) The Bonds when issued will conform to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTORY STATEMENT" and "THE BONDS," and the Authority Documents when executed and delivered will conform to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTORY STATEMENT," "THE BONDS," "SECURITY FOR THE BONDS" and "APPENDIX A – SUMMARY OF THE INDENTURE."

(g) The 1994 Agency Bonds conforms to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTORY STATEMENT" and "SECURITY FOR THE BONDS," and the Fiscal Agent Agreement conforms to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTORY STATEMENT," "SECURITY FOR THE BONDS" and "APPENDIX H – SUMMARY OF THE FISCAL AGENT AGREEMENT."

(h) The Bonds, when issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Indenture, and upon such issuance and delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, the legally valid and binding pledge of and lien and security interest it purports to create.

(i) The 1994 Agency Bonds was validly issued and are outstanding obligations of the Agency, entitled to the benefits of the Fiscal Agent Agreement, and provides for the benefit of the owners from time to time of the 1994 Agency Bonds, the legally valid and binding pledge of and lien and security interest it purports to create.

(j) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, notice of which has been served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Purchase Contract, threatened against the Authority, affecting the existence of the Authority, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge and lien on the Revenues pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bond Law, the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority for the issuance of the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bond Law, as to the Authority, or the authorization, execution, delivery or performance by the Authority of the Bonds or the Authority Documents.

(k) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, notice of which has been served on the Agency, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Purchase Contract, threatened against the Agency, affecting the existence of the Agency, or affecting the pledge and lien on the Tax Revenues (as defined in the Fiscal Agent Agreement) pursuant to the Fiscal Agent Agreement, or contesting or affecting as to the Agency the validity or enforceability of the 1994 Agency Bonds or the Fiscal Agent Agreement, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the 1994 Agency Bonds or the Fiscal Agent Agreement.

(l) 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 (x) to qualify the Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (y) to determine the eligibility of the Bonds for investment

under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; *provided, however*, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, provided that the Underwriter shall bear all costs in connection with the Authority's action under (x) and (y) herein.

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

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

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

(p) If between the date of this Purchase Contract and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 14 hereof) any event known to the Authority shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof; and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter.

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

(r) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So

long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any bonds or other obligations, other than the Bonds sold thereby, the interest on and premium, if any, or principal of which will be payable from the payments to be made under the Indenture.

(s) The Authority shall honor all other covenants on its part contained in the Indenture which are incorporated herein and made a part of this Purchase Contract.

6. **Reserved.**

7. **Closing.** At 8:00 a.m., California time, on _____, 2015, or on such earlier date or as soon thereafter as practicable, as may be mutually agreed upon by the Authority and the Underwriter, the Authority will, subject to the terms and conditions hereof, cause the Trustee to deliver to the Underwriter, the Bonds, in definitive form duly authenticated by the Trustee, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and will pay the purchase price of the Bonds at the offices of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as set forth in Section 1 hereof, by delivering federal or other immediately available funds in the amount of such purchase price to the Trustee. The Bonds shall be prepared in fully-registered form without coupons in authorized denominations and registered in the name of the Underwriter.

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

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

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

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

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the Agency, the Bonds or the 1994 Agency Bonds, as the

foregoing matters are described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds;

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

(1) The Official Statement and each supplement or amendment, if any, thereto, executed by the Executive Director of the Authority;

(2) A copy of the Indenture, executed by the Authority and the Trustee;

(3) A copy of the Fiscal Agent Agreement, executed by the Former RDA and the Fiscal Agent;

(4) A copy of this Purchase Contract, executed by the Authority and the Underwriter;

(5) A copy of the Escrow Agreement, executed by the Authority and the Escrow Agent;

(6) Certificates of the Authority with respect to the matters described in Section 5 and in paragraphs (a), (b), (c) and (d) of this Section 8;

(7) An opinion (the “Final Approving Legal Opinion”), dated the date of the Closing and addressed to the Authority, of Orrick, Herrington & Sutcliffe LLP, Bond Counsel for the Authority, substantially in the form set forth in Appendix B to the Official Statement;

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

(9) An opinion, dated the date of the Closing and addressed to the Underwriter, of the Authority Counsel, in substantially the form attached hereto as Exhibit C;

(10) Transcripts of all proceedings relating to the authorization and issuance of the Bonds certified by the Secretary or an Assistant Secretary of the Authority;

(11) An opinion of counsel to the Trustee and the Escrow Agent, to the effect that:

(i) Due Organization and Existence – the Trustee and the Escrow Agent have been duly organized and are validly existing and in good standing, with full corporate power to undertake the trust duties and obligations under the Indenture and the Escrow Agreement;

(ii) Corporate Action – the Trustee and the Escrow Agent have duly authorized, executed and delivered the Indenture and the Escrow Agreement, and by all proper corporate action have authorized the acceptance of the duties and obligations of the Trustee and the Escrow Agent under the Indenture and the Escrow Agreement, respectively, and have authorized in such capacity the authentication and delivery of the Bonds;

(iii) Due Authorization, Execution and Delivery – assuming due authorization, execution and delivery by the Authority, the Indenture and the Escrow Agreement are the valid, legal and binding agreements of the Trustee and the Escrow Agent, respectively, enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and

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

(12) The general resolutions of the Trustee and the Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee and the Escrow Agent, which resolutions authorize the execution and delivery of the Indenture and the Escrow Agreement;

(13) A certificate of the Trustee and the Escrow Agent, dated the date of Closing, certifying that, subject to the limitations provided herein, the Trustee and the Escrow Agent represent and warrant and agree with the Underwriter that as of the date of Closing:

(i) Due Organization and Existence – the Trustee and the Escrow Agent are duly organized and existing as a national banking association in good standing under the laws of the United States of America having the full power and authority to enter into and perform their duties under the Indenture and the Escrow Agreement, respectively, and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and the Escrow Agreement, respectively;

(ii) No Conflict – to the best of the knowledge of the Trustee, and the Escrow Agent, after due investigation, the execution and delivery by the

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

(iii) No Litigation – to the best of the knowledge of the Trustee and the Escrow Agent, no litigation has been served upon the Trustee or the Escrow Agent to restrain or enjoin the Trustee’s or the Escrow Agent’s participation in, or in any way contesting the powers of the Trustee or the Escrow Agent with respect to, the transactions contemplated by the Indenture or the Escrow Agreement, respectively;

(14) A copy of the Continuing Disclosure Agreement, executed by the Authority and Willdan Financial Services, as dissemination agent, substantially in the form presented in Appendix D to the Official Statement;

(15) Written confirmation in a form acceptable to the Underwriter from an independent consultant approved by the Underwriter that, except as disclosed in the Official Statement, each of the City, the Authority and the Agency, and any related entities, have timely filed materially complete continuing disclosure reports with respect to its respective continuing disclosure requirements relating to Rule 15c2-12 in each of the last five fiscal years;

(16) A defeasance opinion of Bond Counsel, dated the Closing Date, to the effect that the lien of the Prior Bonds with respect to the 1994 Agency Bonds has been discharged;

(17) A municipal bond insurance policy insuring the payment of principal and interest on the Bonds (the “Bond Insurance Policy”) issued by _____ (the “Bond Insurer”);

(18) A certificate of the Bond Insurer of an opinion of counsel to the Bond Insurer, dated the date of Closing, regarding the accuracy of the information in the Official Statement describing the Bond Insurer and the Bond Insurance Policy;

(19) An opinion of counsel to the Bond Insurer, dated the date of Closing, addressed to the Authority, the Trustee and the Underwriter, regarding the Bond Insurer’s valid existence, power and authority, the Bond Insurer’s due authorization and issuance of the Bond Insurance Policy and, the Bond Insurance Policy’s enforceability against the Bond Insurer;

(20) A rating letter from Standard & Poor's Ratings Group confirming the rating on the Bonds; and

(21) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by it.

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

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

9. **Termination.** The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority in writing or by telegram, of their election to do so, if, after the execution hereof and prior to the Closing: (a) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency; (b) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or California; (c) an event shall have occurred or been discovered as described in paragraph (m) of Section 5 or paragraph (m) of Section 6 hereof which, in the opinion of the Underwriter, requires the preparation and publication of disclosure material or a supplement or amendment to the Official Statement; (d) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds; (e) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended

and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement; (f) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (g) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker-dealers; (h) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange; or (i) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market.

If this Purchase Contract shall be terminated pursuant to Section 8 or this Section 9, or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligation hereunder is not satisfied or because of any refusal, inability or failure on the part of the Authority to comply with any of the terms or to fulfill any of the conditions of this Purchase Contract, or if for any reason the Authority shall be unable to perform all of its obligations under this Purchase Contract, the Authority shall not be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Purchase Contract.

10. Payment of Costs and Expenses. (a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter, including, but not limited to: (i) the fees and expenses of the Authority and its Counsel, the Financial Advisor, the Fiscal Consultant and other consultants; (ii) the fees and expenses of Bond Counsel and Underwriter's Counsel; (iii) all costs and expenses incurred in connection with the preparation and printing of the Bonds; (v) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (vi) California Municipal Statistics fees; (vii) rating agency fees; (viii) the fees of an independent consultant to prepare a report on prior continuing disclosure compliance; and (ix) the fees and expenses of the Trustee and Fiscal Agent and its counsel and all other fees and expenses of the Underwriter, except as provided in paragraph (b) below shall be payable by the Authority from the proceeds of the Bonds.

(b) The Underwriter shall pay all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds.

11. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities, agreements and other statements of the Authority and the Underwriter or their officers or partners set forth in, or made pursuant to, this Purchase Contract will remain operative and in full force and effect regardless of any investigation made

by or on behalf of the Authority or the Underwriter or any controlling person and will survive delivery of and payment for the Bonds.

12. **Notices.** Any notice or other communication to be given under this Purchase Contract may be given by delivering the same in writing:

To the Authority: Huntington Park Public Financing Authority
 c/o City of Huntington Park
 130 South Main Street
 Huntington Park, California 92530
 Attention: Interim City Manager

To the Underwriter: Stifel, Nicolaus & Company, Incorporated
 515 South Figueroa Street, Suite 1800
 Los Angeles, California 90071
 Attention: Jose A. Vera

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

14. **Determination of End of the Underwriting Period.** For purposes of this Purchase Contract, the "End of the Underwriting Period" for the Bonds shall mean the earlier of (a) the day of the Closing unless the Authority has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule") will not occur on the day of the Closing, or (b) the date on which notice is given to the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule.

15. **Effectiveness.** This Purchase Contract shall become effective upon the execution of the acceptance by the designees of the Authority and shall be valid and enforceable at the time of such acceptance.

16. **Headings.** The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

17. **Governing Law.** This Purchase Contract shall be construed in accordance with the laws of the State of California.

18. **Counterparts.** This Purchase Contract may be executed in any number of counterparts.

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

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

Title: _____

Accepted:

This ____ day of _____, 2015

**HUNTINGTON PARK PUBLIC
FINANCING AUTHORITY**

By: _____
Interim Executive Director

Exhibit A

\$ _____

Huntington Park Public Financing Authority
Refunding Revenue Bonds, Series 2015 (Federally Taxable)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Coupon</u>	<u>Yield</u>
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Exhibit B

Supplemental Opinion of Orrick, Herrington & Sutcliffe LLP
Addressed to the Underwriter

\$ _____
Huntington Park Public Financing Authority
Refunding Revenue Bonds, Series 2015 (Federally Taxable)

[Closing Date]

Stifel, Nicolaus & Company, Incorporated.
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071

Ladies and Gentlemen:

This letter is addressed to you, as the Underwriter, pursuant to Section 8(e)() of the Purchase Contract, dated _____, 2015 (the "Purchase Contract"), by and between you and Huntington Park Public Financing Authority (the "Authority"), providing for the purchase of \$ _____ aggregate principal amount of Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to the Indenture of Trust, dated as of _____ 1, 2015 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or, if not defined in the Indenture, in the Purchase Contract.

In addition to the opinions set forth in our final legal opinion concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority (but which may be relied upon by you to the same extent as if such opinion were addressed to you), and based on and subject to the matters referred to in the second through fourth paragraphs of said final legal opinion (but excluding the last sentence of the fourth paragraph thereof) (which are hereby incorporated herein by reference), and in reliance thereon, as of the date hereof, we are of the following opinions or have reached the following conclusions:

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

2. The Purchase Contract has been duly executed and delivered by the Authority and (assuming due authorization, execution and delivery by, and validity against, the

Underwriter) is a valid and binding agreement of the Authority. We call attention to the fact that the rights and obligations under the Purchase Contract may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against entities formed pursuant to Government Code Section 6500 and following in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained therein.

3. The statements contained in the Official Statement, dated _____, 2015, with respect to the Authority Bonds, on the cover of the Official Statement and under the captions "INTRODUCTORY STATEMENT," "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," "APPENDIX A – SUMMARY OF THE INDENTURE" and "APPENDIX H – SUMMARY OF THE FISCAL AGENT AGREEMENT" insofar as such statements expressly summarize certain provisions of the Indenture, the Fiscal Agent Agreement, the Bonds and the 1994 Agency Bonds, are accurate in all material respects.

This letter is furnished by us as bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is delivered to you as Underwriter, is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to be relied upon by owners of the Bonds.

The foregoing represent our interpretation of applicable law to the facts as described herein. We bring to your attention the fact that our conclusions are an expression of professional judgment and are not a guarantee of a result.

Respectfully submitted,

Exhibit C

Opinion of _____, as Counsel
to the Authority and addressed to the Underwriter

\$ _____
Huntington Park Public Financing Authority
Refunding Revenue Bonds, Series 2015 (Federally Taxable)

[Closing Date]

Huntington Park Public Financing Authority
6550 Miles Avenue, Suite 116
Huntington Park, California 90255

Stifel, Nicolaus & Company, Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to Section 8(e)(___) of the Purchase Contract, dated _____, 2015 (the "Purchase Contract"), by and between the Huntington Park Public Financing Authority (the "Authority") and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). All capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Contract. In our capacity as Counsel to the Authority, we have reviewed the Purchase Agreement and such other documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinion set forth herein.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Authority, we are of the following opinions:

(1) The Authority is duly organized and existing under the laws of the State of California.

(2) The Agency is a public entity, duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California.

(3) To the best of our knowledge, the Resolution of the Authority authorizing the Indenture, the Purchase Contract and the Continuing Disclosure Agreement were duly adopted at meetings of the Authority which were duly called and held.

(4) To the best of our knowledge, the statements and information contained in the Official Statement in the section entitled “CONCLUDING INFORMATION - Litigation,” as of the date thereof and as of the date hereof, does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(5) To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority or the Agency, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Authority or the Agency, or the title of their respective members and officers to their respective offices; (ii) enjoin or restrain the issuance, sale or delivery of the Bonds, the receipt of any other moneys or property pledged or to be pledged under the Indenture or the Fiscal Agent Agreement or the pledge thereof; (iii) in any way question or affect any of the rights, powers, duties or obligations of the Authority under the Indenture or of the Agency under the Fiscal Agent Agreement or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds or the 1994 Agency Bonds; (iv) in any way questioning or affecting any authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the 1994 Agency Bonds; or (v) in any way questioning or affecting the Purchase Contract or the transactions contemplated by the Purchase Contract or the Indenture.

(6) The execution and delivery of the Authority Documents and the other instruments contemplated by any of such documents to which the Authority is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound in a manner which would materially adversely affect the Authority’s performance under the Authority Documents.

(7) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Authority of its obligations under the Authority Documents, have been obtained and are in full force and effect.

This opinion is rendered only with respect to the laws of the State of California and the United States and is addressed only to the Authority and the Underwriter. This letter is furnished by us as counsel to the Authority. Other than the Authority, no attorney-client relationship has existed or exists between us and the Underwriter in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is delivered to you,

is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds. No other person is entitled to rely on this opinion, nor may the addressees rely on it, in connection with any transactions other than those described herein.

Respectfully submitted,

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Huntington Park Public Financing Authority (the “Authority”) in connection with the issuance of the Agency’s \$_____ Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of ____ 1, 2015 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and are secured by payments of principal of and interest on the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 Agency Bond”) on deposit with the Trustee. The 1994 Agency Bond was issued and is payable in accordance with the Fiscal Agent Agreement dated as of May 1, 1994 (the “Fiscal Agent Agreement”) between the Huntington Park Redevelopment Agency (currently the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Agency”)) and State Street Bank and Trust Company of California, N.A., (predecessor to U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”). The Authority covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“*Dissemination Agent*” shall mean [Willdan Financial Services][U.S. Bank National Association], acting in its capacity as dissemination agent hereunder, or any successor Dissemination Agent designated in writing by the Authority, which may be the Trustee, and which has filed with the Trustee a written acceptance of such designation.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange

Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Participating Underwriter*” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Agency’s fiscal year (currently June 30), commencing with the report for the 2014-15 fiscal year, provide to the Participating Underwriter and the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the Authority’s or the Agency’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Authority) file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The Authority’s Annual Report shall contain or incorporate by reference the following:

(a) [Audited Financial Statements of the Authority (which may be presented as a component of the City’s Audited Financial Statements referenced in paragraph (b) below) prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Authority’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the

final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.]

(b) [Audited Financial Statements of the Agency and the City (which Agency financial statements may be presented as a component of the City's Audited Financial Statements) prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Agency's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.]

(c) The tabular financial information, operating data and descriptions contained in the Official Statement relating to the Bonds under the following headings presented on an annual basis, for the subject fiscal year; provided, however, no tabular financial information containing projections shall be required:

- (i) Taxable assessed values for the Merged Project Area for the most recent fiscal year in substantially the format of Table ___ of the Official Statement;
- (ii) Tax Revenues for the most recent fiscal year in substantially the format of Table ___ of the Official Statement;
- (iii) An update of the ten largest assessees in substantially the format of Table ___ of the Official Statement;
- (iv) An update of projected tax increment revenues in substantially the format of Table ___ of the Official Statement for the most recent fiscal year only;
- (v) Tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy;
- (vi) An update on the future availability of sufficient tax increment revenues to pay timely debt service on the 1994 Agency Bond within the existing limitation on the amount of Gross Tax Increment allocable and payable to the Agency under the Amended Redevelopment Plan, as of the end of such fiscal year; and
- (vii) Amount of all Agency debt outstanding secured by a pledge of the Tax Revenues derived from the Merged Project Area and cumulative amount of Tax Revenues received by the Agency to date.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, the Agency or public entities related thereto, which have been submitted to each of the MSRB through the EMMA System. If the document included by reference is a final official statement, it must be available

from the MSRB through the EMMA System. The Authority shall clearly identify each such other document so included by reference.

Any or all of the items listed above may be modified as appropriate to reflect new industry standards as they evolve and are endorsed by the California Public Securities Association, and may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to the MSRB through the EMMA System. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Authority shall determine if such event would be material under applicable federal securities laws.

(d) If the Authority learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Authority's and the Dissemination Agent's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, redemption or payment in full of all of the Bonds or upon the delivery to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. (a) The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of and any notice or report prepared by the Authority pursuant to the Disclosure Certificate. The initial Dissemination Agent shall be Willdan Financial Services. If at any time there is no designated Dissemination Agent appointed by the Authority, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of Dissemination Agent hereunder, the Authority shall be the Dissemination Agent and undertake or assume its obligations hereunder. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

(b) The Dissemination Agent shall be paid compensation by the Authority for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Authority from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Authority hereunder and shall not be deemed to be acting in any fiduciary capacity for the Authority, holders or beneficial owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Authority or an opinion of nationally recognized bond counsel. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Authority pursuant to this Disclosure Certificate.

The Dissemination Agent may at any time resign by giving written notice of such resignation to the Authority.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as

applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. All of the immunities, indemnities, and exceptions from liability in Article VII of the Indenture insofar as they relate to the Trustee shall apply to the Trustee and the Dissemination Agent in this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Authority or an opinion of nationally recognized bond counsel. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Trustee or Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2015

HUNTINGTON PARK PUBLIC
FINANCING AUTHORITY

By _____
[Authorized Officer]

ACCEPTANCE OF DISSEMINATION AGENT:
The undersigned hereby accepts the designation of Dissemination Agent and agrees to the duties set forth in the foregoing Continuing Disclosure Certificate.

WILLDAN FINANCIAL SERVICES

By: _____
Authorized Representative

EXHIBIT A

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING
BOARD OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Huntington Park Public Financing Authority

Name of Bond Issue: Huntington Park Public Financing Authority
 Refunding Revenue Bonds, Series 2015 (Federally Taxable)

Date of Issuance: _____ __, 2015

NOTICE IS HEREBY GIVEN that the Huntington Park Public Financing Authority (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 7.05 of the Indenture, dated as of _____ 1, 2015, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

HUNTINGTON PARK PUBLIC FINANCING
AUTHORITY

By _____
Title _____

cc: Trustee

NEW ISSUE—BOOK-ENTRY

RATING:
Standard & Poor's: “_”
(See “CONCLUDING INFORMATION - Rating” herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

\$ _____*
HUNTINGTON PARK PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS
SERIES 2015 (FEDERALLY TAXABLE)

Dated: Delivery Date

Due: September 1, as shown on the inside front cover

The \$ _____* Huntington Park Public Financing Authority Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”) will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. The Bonds will mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement. The principal of and the semiannual interest (due March 1 and September 1 of each year, commencing September 1, 2015) on the Bonds will be payable by U.S. Bank National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds (see “THE BONDS—Book-Entry System” herein).

The Bonds are being issued to (i) refund the Authority’s \$55,875,000 Refunding Revenue Bonds, 2004 Series A; (ii) fund a reserve account/purchase a reserve account surety for the Bonds, and (iii) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein.

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are payable from and secured solely from Revenues pledged under the Indenture (as defined herein), consisting of all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the 1994 Agency Bonds (as defined herein) to be derived from the Merged Redevelopment Project (the “Project Area”), as further described in this Official Statement.

[INSURER LANGUAGE]

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described herein.

The Bonds are not a debt of the City of Huntington Park (the “City”), the State of California (the “State”) or any of its political subdivisions (except the Authority) and neither the City, the State or any of its political subdivisions (except the Authority) is liable therefor. The principal of and interest on the Bonds are payable solely from Revenues as set forth in the Indenture. The Authority has no taxing power.

The Bonds are offered when, as and if delivered to and received by the Underwriter, subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by Olivarez Madruga, P.C., Los Angeles, California, Authority Counsel, and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2015.

STIFEL

The date of this Official Statement is _____, 2015.

\$ _____*

**HUNTINGTON PARK PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS
SERIES 2015 (FEDERALLY TAXABLE)**

Maturity Schedule

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	CUSIP [†] (Base _____)
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* 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 Standard & Poor's Financial Services LLC 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 CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. Neither the Authority nor the Underwriter takes any responsibility for the accuracy of CUSIP® numbers set forth herein.

**HUNTINGTON PARK PUBLIC FINANCING AUTHORITY
CITY COUNCIL AND AUTHORITY GOVERNING BOARD**

Rosa E. Perez, *Mayor*
Karina Macias, *Vice Mayor*
Mario Gomez, *Councilperson*
Ofelia Hernandez, *Councilperson*
Valentin P. Amezcuita, *Councilperson*

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Financial Advisor

Mazyck Advisors LLC
Los Angeles, California

Fiscal Consultant

Willdan Financial Services
Temecula, California

Trustee and Escrow Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen & Moore
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Huntington Park Public Financing Authority (the “Authority”) or Stifel, Nicolaus & Company, Incorporated, (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 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 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 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 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 or other matters described herein since the date hereof. 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 website.

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.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 stated, the Authority does not 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.

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OFFICIAL STATEMENT

§ _____ §

HUNTINGTON PARK PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS SERIES 2015 (FEDERALLY TAXABLE)

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Huntington Park Public Financing Authority (the “Authority”) of its \$_____* Refunding Revenue Bonds, Series 2015 (Federally Taxable) (the “Bonds”).

Authority and Purpose

The Bonds are being issued pursuant to the Constitution and laws of the State of California (the “State”), including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53570 and following (the “Bond Law”) and an Indenture of Trust, dated as of _____ 1, 2015 (the “Indenture”) by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). See “THE BONDS – Authority for Issuance.”

The Bonds are being issued to (i) refund the Authority’s \$55,875,000 Refunding Revenue Bonds, 2004 Series A; (ii) fund a reserve account/purchase a reserve account surety for the Bonds, and (iii) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein.

The City, the Authority, and the Prior Agency

The City of Huntington Park (the “City”) is a general law city and was incorporated on September 1, 1906. The City’s three square miles are characterized by a downtown retail area and dense residential development, encircled by large-scale industrial development in nearby cities. The City is bordered on the south by the City of South Gate, on the east by the City of Bell, by the cities of Vernon and Maywood to the north, and on the west by unincorporated Los Angeles County. See “APPENDIX G – SUPPLEMENTAL INFORMATION – THE CITY OF HUNTINGTON PARK.”

The Huntington Park Public Financing Authority (the “Authority”) is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State (the “Joint Powers Act”). The City, pursuant to Resolution No. 88-80 adopted on July 5, 1988, the Community Development Commission of the City of Huntington Park, pursuant to Resolution No. RA763 adopted on July 5, 1988, and the Parking Authority of the City of Huntington Park, pursuant to Resolution No. PA88-2 adopted on July 11, 1988, formed the Authority by the execution of a joint exercise of powers agreement (the “Joint Powers Agreement”) (see “THE AUTHORITY” herein).

The original Huntington Park Redevelopment Agency was established pursuant to the Community Redevelopment Law, Part 1 of Division 24 of the California Health and Safety Code (“Redevelopment Law”) by an ordinance of the City of Huntington Park City Council (the “City Council”) adopted in 1969 (“Original Agency”). In 2000, the City Council, pursuant to provisions of the Redevelopment Law, in particular Sections 34120(a) and 34115.5, declared the need for a community development commission and transferring all

§ Preliminary; subject to change.

duties, powers and responsibilities of the Original Agency to a new entity called the Community Development Commission of the City of Huntington Park, as a public body, corporate and politic formed, organized, existing and exercising its powers pursuant Section 34100, *et seq.* of the Health & Safety Code, and exercising all of the power, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the Redevelopment Law and as a housing authority pursuant to the California Housing Authorities Law, Health & Safety Code Section 34200, *et seq.* Thereby, the Original Agency with the Huntington Park Housing Authority assumed the nature, power, authority function and jurisdiction of a community development commission (“Prior Agency”).

Security and Sources of Repayment

The Bonds are secured under the Indenture. The Bonds are special obligations of the Authority payable solely from Revenues pledged under the Indenture, consisting of all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the 1994 Agency Bonds (as defined below), whether as a result of scheduled payments or Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established under the Indenture [except the Project Fund, the Expense Fund and the Local Obligation Fund].

The 1994 Agency Bonds. The Prior Agency issued its \$68,480,000 initial aggregate principal amount Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 Agency Bonds”) pursuant to a Fiscal Agent Agreement dated as of May 1, 1994 (the “Fiscal Agent Agreement”) by and between the Prior Agency and State Street Bank and Trust Company of California, N.A., (predecessor to U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”). See APPENDIX H – “SUMMARY OF THE FISCAL AGENT AGREEMENT” attached hereto.

Prior Redevelopment Law

The prior Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues (as defined below) consist of a portion of such incremental tax revenues.

Under the prior Redevelopment Law, the 1994 Agency Bonds were payable only from “Tax Revenues” as defined in the Fiscal Agent Agreement. “Tax Revenues” under the Fiscal Agent Agreement included all taxes annually allocated to the Prior Agency’s Merged Redevelopment Project pursuant to Section 33670 of the prior Redevelopment Law and all amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund of the Prior Agency in any Fiscal Year, but excluding all amounts of taxes required to be paid by the Prior Agency to other taxing agencies pursuant to pass-through agreements or similar tax-sharing agreements entered into pursuant to Section 33401 of the prior Redevelopment Law.

Dissolution Act

In June 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Prior Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “Dissolution Act”).

On February 6, 2012, pursuant to Resolution No. 2012-1 and Section 34173 of the Dissolution Act, the City Council of the City elected to serve as successor agency to the Prior Agency (the “Agency”). Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Prior Agency will not be transferred to the City nor will the assets of the Prior Agency become assets of the City.

The Dissolution Act requires the Los Angeles County Auditor-Controller (the “County Auditor-Controller”) to determine the amount of property taxes that would have been allocated to the Prior Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Prior Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to the Agency (the “RPTTF”) established and held by the County Auditor-Controller pursuant to the Dissolution Act.

Pursuant to section 34177(a) of the Health and Safety Code, successor agencies are required to make all payments due on all “enforceable obligations.” “Enforceable obligations” include bonds issued under the prior redevelopment law, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency. The 1994 Agency Bonds constitute “enforceable obligations” under the Dissolution Act. The California Department of Finance has issued a final and conclusive determination letter acknowledging that the 1994 Agency Bonds are enforceable obligations.

Under the Dissolution Act, the 1994 Agency Bonds are payable only from moneys deposited in the RPTTF. Under the Dissolution Act, the RPTTF is deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Prior Agency. However, no assurance can be made that moneys in the RPTTF, in excess of what would otherwise have been Tax Revenues derived from the Merged Project Area prior to dissolution, will be available to pay principal of and interest on the 1994 Agency Bonds.

Taxes levied on the property within the Project Area (as defined below) on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent they constitute Tax Revenues, as described herein, will

be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule," and "RISK FACTORS – Recognized Obligation Payment Schedule" herein.

The Redevelopment Plan

Under the Redevelopment Law, the City Council is required to adopt, by ordinance, a redevelopment plan for each redevelopment project (the "Redevelopment Plan"). Pursuant to the Redevelopment Law, the City Council originally established three separate redevelopment project areas. The Central Business District Redevelopment Project was adopted and approved on December 21, 1971 by Ordinance No. 66-NS of the City Council. The Huntington Park Industrial Redevelopment Project was created on May 25, 1977 with the adoption by the City of Ordinance No. 167-NS. On July 7, 1980, the City adopted and approved Ordinance No. 261-NS establishing the Huntington Park North Redevelopment Project.

On February 5, 1990 with the adoption of Ordinance No. 468-NS, the City Council took action to merge the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project for the purposes of allocating Tax Increment Revenues. Collectively, the three merged redevelopment projects are referred to herein as the "Merged Redevelopment Project." The Merged Redevelopment Project Area is also referred to herein as the "Project Area."

Reserve Fund

To secure the payment of the principal of and interest on the Bonds, a Reserve Fund is established pursuant to the Indenture. The Authority is required to maintain the Reserve Fund in an amount equal to the Reserve Requirement. Reserve Requirement means, as of the date of any calculation, [the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service]. See "SECURITY FOR THE BONDS" herein.

Supplemental Reserve Fund

[To effect a mandatory redemption due to prepayment,] a Supplemental Reserve Fund is established pursuant to the Indenture. Pursuant to the Indenture, the Trustee shall deposit into the Supplemental Reserve Fund, no later than each Interest Payment Date from the Debt Service Account, an amount of Revenues which together with any amounts then on deposit in said fund is equal to [_____].]

Further Information

Brief descriptions of the Bonds, the Indenture, the Authority, the Agency, the Prior Agency and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bond Law, the Redevelopment Law, the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Authority, the Prior Agency, the Agency and the City are qualified in their entirety by reference to such documents. References herein to the Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto included herein, copies of which are all available for inspection at the offices of the Authority. Copies of the forms of all documents are available at the City Clerk's office, City of Huntington Park, 6550 Miles Avenue, Huntington Park, California 90255.

BOND INSURANCE

[TO COME, IF APPLICABLE]

PLAN OF REFUNDING

In 2004, the Authority, for the benefit of the Prior Agency, issued its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the "Series 2004 Bonds") in the aggregate principal amount of \$55,875,000.

Proceeds of the Bonds will be used to refund the Series 2004 Bonds. In connection with the refunding of the Series 2004 Bonds, proceeds of the Bonds, together with certain funds made available through the refunding of such obligations, will be deposited into an escrow fund with U.S. Bank National Association, the Escrow Agent, and used for the purposes of redeeming the Series 2004 Bonds. Amounts so deposited, which will be held uninvested in cash by the Escrow Agent, will be in an amount which will be sufficient to pay the principal, interest and redemption price of the Series 2004 Bonds upon their optional redemption approximately 30 days after the issuance of the Bonds.

[_____] (the "Verification Agent"), upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Authority, relating to the sufficiency of moneys deposited into the escrow fund to pay, when due, the principal, interest and redemption price of the Series 2004 Bonds.

The report of Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are summarized as follows:

Sources:

Principal Amount of Bonds.....	
Released Funds	
Original Issue Premium (Discount).....	
Total Sources	

Uses:

Escrow Fund.....	
Underwriter’s Discount.....	
Costs of Issuance Fund ⁽¹⁾	
Total Uses	

⁽¹⁾ Costs of Issuance include fees and expenses for Bond Counsel, Financial Advisor, Trustee, printing expenses, [bond insurance premium, surety bond premium,] rating fees and other costs relating to the issuance of the Bonds.

THE BONDS

Authority for Issuance

The Bonds are being issued pursuant to the Constitution and laws of the State of California (the “State”), including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53570 and following (the “Bond Law”) and the Indenture.

Description of the Bonds

The Bonds will be issued in Authorized Denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on March 1 and September 1, commencing on September 1, 2015.

The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest and premium, if any, on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Direct Participants (defined herein) for subsequent disbursement to the Owners of the Bonds. See APPENDIX C – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable by check in lawful money of the United States of America. The Bonds shall be issued as fully registered bonds in Authorized Denominations and shall be numbered as the Authority shall determine. The Bonds shall bear interest from their date of initial delivery. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be

paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

Annual Debt Service

Set forth below is the annualized debt service for the 1994 Agency Bonds.

Maturity Date (September 1)	Principal	Interest	Total
2015	\$4,935,000.00	\$1,166,200.00 ⁽¹⁾	\$6,101,200.00
2016	5,450,000.00	1,993,859.00	7,443,859.00
2017	5,980,000.00	1,619,989.00	7,599,989.00
2018	6,580,000.00	1,209,761.00	7,789,761.00
2019	2,495,000.00	758,373.00	3,253,373.00
2020	2,665,000.00	587,216.00	3,252,216.00
2021	2,850,000.00	404,397.00	3,254,397.00
2022	3,045,000.00	208,887.00	3,253,887.00
2023	4,935,000.00	1,166,200.00	6,101,200.00
2024	<u>5,450,000.00</u>	<u>1,993,859.00</u>	<u>7,443,859.00</u>
Total	\$34,000,000.00	\$7,948,682.00	\$41,948,682.00

⁽¹⁾ Excludes March 1, 2015 interest payment.

Source: The Underwriter.

Set forth below is the annualized debt service for the Bonds.

Maturity Date (September 1)	Principal	Interest	Total
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
Total			

Source: The Underwriter.

Redemption

Optional Redemption. The Bonds are not subject to optional redemption before their respective stated maturities.

[DESCRIBE WHEN NON-ASSET BOND SITUATION WILL ARISE AND HOW MITIGATED]

Mandatory Redemption from Prepayments.* The Bonds shall be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any Prepayments with respect to the 1994 Agency Bonds, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The Authority shall give the Trustee written notice of the redemption of Bonds subject to redemption from prepayments not less than 35 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee. Such written notice shall be accompanied by the Written Request of the Agency (as defined in the Fiscal Agent Agreement) required to be delivered to, and the Cash Flow Certificate of an Independent Financial Consultant required to be filed with, the Fiscal Agent pursuant to the Fiscal Agent Agreement, and no such redemption of Bonds shall occur unless such written notice is so accompanied by such Written Request of the Agency and such Cash Flow Certificate of an Independent Financial Consultant. In the event that the Fiscal Agent shall mail notice of the redemption of the 1994 Agency Bonds that will produce Prepayments with respect to the 1994 Agency Bonds, the Trustee shall concurrently mail notice of the redemption of Bonds pursuant to this section, such redemption to occur on the date fixed for such redemption of such 1994 Agency Bonds. On the date of such redemption of the 1994 Agency Bonds, the proceeds of such redemption shall be applied by the Trustee to pay the redemption price of Bonds pursuant to the Indenture.]

Mandatory Redemption as a Result of Acceleration.** The Bonds shall be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any amounts received with respect to the 1994 Agency Bonds as a result of the acceleration of amounts due on such 1994 Agency Bonds in accordance with the Fiscal Agent Agreement upon an event of default thereunder, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Bonds are to be redeemed as a result of acceleration, the Trustee shall, on or prior to the redemption date, receive a Cash Flow Certificate specifying the maturity or maturities of Bonds to be redeemed and showing that the remaining payments of principal of and interest on the 1994 Agency Bonds, together with other Revenues available to the Trustee, will be sufficient to pay on a timely basis the principal of and the interest on the Bonds not so redeemed when due.

Notice of Redemption

In the case of any redemption of Bonds, the Trustee shall give notice, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under this Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

** Preliminary; subject to change.

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Order given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Order, the Trustee shall promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Selection of Bonds for Redemption

Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot and in selecting the Bonds for redemption the Trustee shall treat each Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

Payment of Redeemed Bonds

If notice of redemption has been given or waived as provided in the Indenture, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner.

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under this Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Purchase in Lieu of Redemption

In lieu of redemption of any Bond pursuant to the provisions of the Indenture, amounts on deposit in the Principal Fund or in the Redemption Fund may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the

Authority may in its discretion determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Bonds so purchased shall be delivered to the Trustee for cancellation.

SECURITY FOR THE BONDS

The Bonds are secured under the Indenture. The Bonds are special obligations of the Authority payable solely from Revenues pledged under the Indenture, consisting of all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the 1994 Agency Bonds, whether as a result of scheduled payments or Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established under the Indenture [except the Project Fund, the Expense Fund and the Local Obligation Fund]. The Prior Agency issued the 1994 Agency Bonds pursuant to the Fiscal Agent Agreement.

Prior Redevelopment Law

The Original Agency was established pursuant to the Redevelopment Law by an ordinance of the City Council adopted in 1969. In 2000, the City Council, pursuant to provisions of the Redevelopment Law, in particular Sections 34120(a) and 34115.5, declared the need for a community development commission and transferring all duties, powers and responsibilities of the Original Agency to a new entity called the Community Development Commission of the City of Huntington Park, as a public body, corporate and politic formed, organized, existing and exercising its powers pursuant Section 34100, *et seq.* of the Health & Safety Code, and exercising all of the power, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the Redevelopment Law and as a housing authority pursuant to the California Housing Authorities Law, Health & Safety Code Section 34200, *et seq.* Thereby, the Original Agency with the Huntington Park Housing Authority assumed the nature, power, authority function and jurisdiction of a community development commission (“Prior Agency”).

The prior Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues consist of a portion of such incremental tax revenues.

Under the prior Redevelopment Law the 1994 Agency Bonds were payable only from “Tax Revenues” as defined in the Fiscal Agent Agreement. “Tax Revenues” under the Fiscal Agent Agreement included all taxes annually allocated to the Prior Agency’s Merged Redevelopment Project pursuant to Section 33670 of the prior Redevelopment Law and all amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund of the Prior Agency in any Fiscal Year, but excluding all amounts of taxes required to be paid by the Prior Agency to other taxing agencies pursuant to pass-through agreements or similar tax-sharing agreements entered into pursuant to Section 33401 of the prior Redevelopment Law.

Dissolution Act

In June 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Prior Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “Dissolution Act”).

On February 6, 2012, pursuant to Resolution No. 2012-1 and Section 34173 of the Dissolution Act, the City Council of the City elected to serve as successor agency to the Prior Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Authority is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Prior Agency will not be transferred to the City nor will the assets of the Prior Agency become assets of the City.

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Prior Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Prior Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to the Agency (the “RPTTF”) established and held by the County Auditor-Controller pursuant to the Dissolution Act.

Pursuant to section 34177(a) of the Health and Safety Code, successor agencies are required to make all payments due on all “enforceable obligations.” “Enforceable obligations” include bonds issued under the prior redevelopment law, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency. The 1994 Agency Bonds constitute “enforceable obligations” under the Dissolution Act. The California Department of Finance has issued a final and conclusive determination letter acknowledging that the 1994 Agency Bonds are enforceable obligations.

Under the Dissolution Act, the 1994 Agency Bonds are payable only from moneys deposited in the RPTTF. Under the Dissolution Act, the RPTTF is deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Prior Agency. However, no assurance can be made that moneys in the RPTTF, in excess of what would otherwise have been Tax Revenues derived from the Merged Project Area prior to dissolution, will be available to pay principal of and interest on the 1994 Agency Bonds.

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent they constitute Tax Revenues, as described herein, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency’s Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the

Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule," and "RISK FACTORS – Recognized Obligation Payment Schedule" herein.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, as applicable, are to be divided as follows:

(a) *To Taxing Agencies:* That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, as applicable (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) *To the Prior Agency/Agency:* Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the Plan Limit following the Delivery Date, when collected will be paid into a special fund of the Prior Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the RPTTF shall be deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Prior Agency or the Agency to finance or refinance the redevelopment projects of the Prior Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

The Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Revenues available in any six-month period to pay the principal of and interest on the Bonds (see "SECURITY FOR THE BONDS – Tax Increment Financing" and "– Recognized Obligation Payment Schedule" and "RISK FACTORS").

The Bonds are not a debt of the City, the State or any of its political subdivisions (except the Authority), and none of the City, the State or any of its political subdivisions (except the Authority) is liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Bonds are a limited obligation of the Authority payable solely from Revenues.

Tax Increment Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

As discussed above, pursuant to section 34177(a) of the Health and Safety Code, successor agencies are required to make all payments due on all “enforceable obligations.” The 1994 Agency Bonds constitute “enforceable obligations” under the Dissolution Act. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See “RISK FACTORS.”

The Redevelopment Law authorized redevelopment agencies to make payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project. The Prior Agency entered into two agreements for this purpose (the “Pass-Through Agreements”). Additionally, Section 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the “Statutory Pass-Through Amounts”). The Dissolution Act requires the County Auditor-Controller to distribute from the RPTTF amounts required to be distributed under the Pass-Through Agreements and for Statutory Pass-Through Amounts to the taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the RPTTF to the Agency’s Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Prior Agency, as succeeded by the Agency, (ii) the Agency has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available to the Agency from the RPTTF allocation to the Agency’s Redevelopment Obligation Retirement Fund, from other funds transferred from the Prior Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Agency’s enforceable obligations, pass-through payments, and the Agency’s administrative cost allowance for the applicable six-month period, and (iii) the State Controller has concurred with the Agency that there are insufficient funds for such purposes for the applicable six-month period.

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period. To provide for calculated shortages to be paid to the Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Agency’s enforceable obligations, pass-through payments, and the Agency’s administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Agency for administrative costs for the applicable six-month period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed under Pass-Through Agreements and for Statutory Pass-Through Amounts, in order to be paid to the Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted. The Dissolution Act provides for a procedure by which the Agency may make Statutory Pass-Through Amounts subordinate to the Bonds; however, the Agency has not undertaken such procedure,

and therefore, Statutory Pass-Through Amounts are not subordinate to the Bonds (see “THE PROJECT AREA – Statutory Pass-Throughs”). The Authority cannot guarantee that this process prescribed by the Dissolution Act of administering the Tax Revenues and the subordinations provided in the Pass-Through Agreements will effectively result in adequate Revenues for the payment of principal and interest on the Bonds when due. See “SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule.” See also “THE PROJECT AREA – Pass-Through Agreements” and “– Statutory Pass-Throughs” for additional information regarding the Pass-Through Agreements and the Statutory Pass-Through Amounts applicable to the Agency and the revenues derived from the Project Area.

Under the Pass-Through Agreements, a portion of the pass-through payment obligations have been made subordinate to the debt service on the Bonds. See “APPENDIX F – FISCAL CONSULTANT’S REPORT.”

Recognized Obligation Payment Schedule

Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule (the “Recognized Obligation Payment Schedule”) pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, “enforceable obligation” includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the Low and Moderate Income Housing Fund. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following six-month period.

Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the Low and Moderate Income Housing Fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the RPTTF (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule.

The Recognized Obligation Payment Schedule with respect to the six-month periods January 1 through June 30 and July 1 through December 31 must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller by 90 days before the date of the next January 2 or June 1 property tax distribution. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Agency’s administrative cost allowance is reduced by 25% if the Agency does not submit an Oversight Board-approved Recognized

Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the Bonds, see “RISK FACTORS – Recognized Obligation Payment Schedule.”

The Dissolution Act requires the State Department of Finance to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the determination by the State Department of Finance, the Agency may request additional review by the department and an opportunity to meet and confer on disputed items, if any. The State Department of Finance will notify the Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. Additionally, the County Auditor-Controller may review a submitted Recognized Obligation Payment Schedule and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the County Auditor-Controller must provide notice of any such objections to the Agency, the Oversight Board, and the State Department of Finance at least 60 days prior to the January 2 or June 1 date of property tax distribution, as applicable.

In connection with the allocation and distribution by the County Auditor-Controller of property tax revenues deposited in the RPTTF, under the Dissolution Act the County Auditor-Controller must prepare estimates of the amounts of (i) property tax to be allocated and distributed and (ii) the amounts of pass-through payments to be made in the upcoming six-month period, and provide those estimates to the entities receiving the distributions and the State Department of Finance no later than October 1 and April 1 of each year, as applicable. If, after receiving such estimate from the County Auditor-Controller, the Agency determines and reports, no later than December 1 or May 1, as applicable (i.e., by December 1, 2014 with respect to the Recognized Obligation Payment Schedule for January 1, 2015 through May 31, 2015), that the total amount available to the Agency from the RPTTF allocation to the Agency’s Redevelopment Obligation Retirement Fund, from other funds transferred from the Prior Agency, and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, for Agency enforceable obligations listed on the Recognized Obligation Payment Schedule, and for the Agency’s administrative cost allowance, the County Auditor-Controller must notify the State Controller and the State Department of Finance no later than 10 days from the date of the Agency’s notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions, as described in more detail under “SECURITY FOR THE BONDS – Tax Increment Financing” above.

The Dissolution Act provides that if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the State Department of Finance to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the department’s approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the State Department of Finance, then the State Department of Finance’s review of such payments in each future Recognized Obligation Payment Schedule will be limited to confirming that they are required by the prior enforceable obligation. The California Department of Finance has issued a final and conclusive determination letter acknowledging that the 1994 Agency Bonds are enforceable obligations.

Under the Fiscal Agent Agreement the Agency is required to comply with all requirements of the Redevelopment Law, as amended and supplemented by the Dissolution Act, to insure the allocation and payment to it of Tax Revenues, including the timely filing of any necessary statements with County and State

officials. See “APPENDIX H - SUMMARY OF THE FISCAL AGENT AGREEMENT – Maintenance of Tax Revenues.” Thus, the Agency is required to take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period all payments expected to be made to the Fiscal Agent in order to satisfy the requirements of the Fiscal Agent Agreement, including any amounts required to pay principal and interest payments due on the 1994 Agency Bonds. The Agency is also required to submit an Oversight Board-approved Recognized Obligation Payment Schedule to the County Auditor-Controller and the Department of Finance at least ninety (90) days prior to the January 2 RPTTF distribution and at least ninety (90) days prior to the June 1 RPTTF distribution, as applicable.

Reserve Fund

To secure the payment of the principal of and interest on the Bonds, a Reserve Fund is established pursuant to the Indenture. The Authority is required to maintain the Reserve Fund in an amount equal to the Reserve Requirement. Reserve Requirement means, as of the date of any calculation, [the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service].

[Notwithstanding any provision of the Indenture to the contrary, all or any portion of the Reserve Requirement for the Bonds may be satisfied by the provision of a policy of insurance, a surety bond, a letter of credit or other comparable credit facility (collectively referred to herein as a “Credit Facility”), or a combination thereof, which, together with moneys on deposit in the Reserve Fund, provide an aggregate amount equal to the Reserve Requirement; provided that the provider of any such policy of insurance, surety bond, letter of credit or other comparable Credit Facility must be rated in one of the two highest rating categories by Moody’s Investors Service or S&P, without regard to modifier, at the time of delivery of such credit facility.]

Supplemental Reserve Fund

[To effect a mandatory redemption due to prepayment,] a Supplemental Reserve Fund is established pursuant to the Indenture. Pursuant to the Indenture, the Trustee shall deposit into the Supplemental Reserve Fund, no later than each Interest Payment Date from the Debt Service Account, an amount of Revenues which together with any amounts then on deposit in said fund is equal to [_____].]

Additional Bonds

Under the Indenture, the Authority shall not issue or incur additional indebtedness secured by a lien on any part of the Revenues.

Section 34177.5 of the Dissolution Act presently permits successor agencies to issue bonds or incurring other indebtedness secured by property tax revenues comprised of former tax increment and required to be deposited into the respective RPTTF for the applicable successor agency under limited circumstances:

- (i) to provide savings to the successor agency;
- (ii) for the purpose of financing debt service spikes, including balloon maturities; provided, (A) the existing indebtedness is not accelerated, except to the extent necessary to achieve substantially level debt service, and (B) the principal amount of the refunding bonds or the indebtedness will not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

(iii) for the purpose of amending an existing enforceable obligation under which the successor agency is obligated to reimburse a political subdivision of the state for the payment of debt service on a bond or other obligation of the political subdivision or to pay all or a portion of the debt service on the bond or other obligation of the political subdivision to provide savings to the successor agency, when such amendment is in connection with a refunding of the bonds or other obligations of the separate political subdivision so that the enforceable obligation will apply to the refunding obligations of the political subdivision; or

(iv) for the purpose of making payments under an existing enforceable obligation when the enforceable obligation includes the irrevocable pledge of property tax increment (i.e., formerly tax increment revenues prior to the effective date of the Dissolution Act) or other funds and the obligation to issue bonds secured by that pledge.

When bonds are issued pursuant to the situations contemplated in clauses (i) and (iii), the following two constraints apply to the size of the financing: (A) the total interest cost to maturity on the refunding bonds or indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or the indebtedness will not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds or indebtedness may be greater than the outstanding principal amount of the bonds or other indebtedness to be refunded. The successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, having the same lien priority as the pledge of the bonds or other obligations to be refunded. Section 34177.5 of the Dissolution Act also requires that the Oversight Board approve the issuance of any additional bonds; that the additional bonds not provide for any bullets or spikes or use variable rates; and that the Agency use an independent financial advisor in developing financial proposals for the issuance of any additional bonds.

THE AUTHORITY

The Huntington Park Public Financing Authority is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State. The City, pursuant to Resolution No. 88-80 adopted on July 5, 1988, the CDC, pursuant to Resolution No. RA763 adopted on July 5, 1988, and the Parking Authority of the City of Huntington Park, pursuant to Resolution No. PA88-2 adopted on July 11, 1988, formed the Authority by the execution of a joint exercise of powers agreement.

The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor of the City is appointed the Chairperson of the Authority. The City Administrator acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. The Bond Law provides for the issuance of revenue bonds of joint exercise of powers authorities, such as the Authority, to acquire local obligations, such as revenue bonds, to be repaid solely from the repayment of the local obligations acquired by the Authority. The Authority has no taxing power.

**THE SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK**

On June 29, 2011, AB X1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB X1 27. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), challenging the constitutionality of AB X1 26 and AB X1 27. In its December 29, 2011 decision, the California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Prior Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

On February 6, 2012, pursuant to Resolution No. 2012-1 and Section 34173 of the Dissolution Act, the City Council of the City elected to serve as successor agency to the Prior Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Prior Agency will not be transferred to the City nor will the assets of the Prior Agency become assets of the City.

The Agency is governed by a five-member Board of Directors (the “Board”) which consists of the members of the City Council of the City of Huntington Park. The Mayor acts as the Chair of the Board, the City Manager as its Executive Director, the City Clerk as its Secretary and the Finance Director as the Treasurer of the Agency.

Members and Officers

The members and officers of the Agency and the expiration dates of their terms are as follows:

Board Member	Expiration of Term
Rosa E. Perez, Chair	March 2015
Karina Macias, Vice Chair	March 2017
Mario Gomez, Board Member	March 2015
Ofelia Hernandez, Board Member	March 2015
Valentin P. Amezcuita, Board Member	March 2017

Agency Powers

All powers of the Agency are vested in its members. Pursuant to the Dissolution Act, the Agency is a separate public body from the City and succeeds to the organizational status of the Prior Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Agency is tasked with expeditiously winding down the affairs of the Prior Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Agency actions are subject to approval by the Oversight Board, as well as review by the State Department of Finance. California has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Agency and Oversight Board meetings open to the public in similar manner as City Council meetings.

Under a State initiative enacted in 1974, public officials are required to make extensive disclosures regarding their financial interests by filing such disclosures as public records. As of the date of this Official Statement, the members of the City Council and the Agency, and other City and Agency officials have made the required filings.

Previously, Section 33675 of the Redevelopment Law required the Prior Agency to file not later than the first day of October of each year with the County Auditor of a statement of indebtedness certified by the chief fiscal officer of the Prior Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plan). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Prior Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor to the Prior Agency could not exceed the amounts shown on the Prior Agency's statement of indebtedness. The Dissolution Act eliminates this requirement and provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and commencing from such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law (see "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule").

Audited Financial Statements

Before the enactment of the Dissolution Act, the Prior Agency retained independent auditors to prepare a report of the Prior Agency's audited financial statements for each fiscal year ended June 30, separate and apart from the report of City's audited financial statements.

The Dissolution Act provides that a post-audit of the financial transactions and records of the Agency must be made at least annually by a certified public accountant. For the reporting related to fiscal year 2013-14, the City decided to not have separate financial statements prepared for the Agency. Instead, the financial transactions for the Agency were reported as part of the City's audited financial statements (the "FY 2013-14 City Audit Financials"), which were prepared by the accounting firm of Vasquez & Company LLP (the "Auditors"). The FY 2013-14 City Audit Financials were incorporated in, and made a part of, the City's Annual Financial Report for Fiscal Year ended June 30, 2014, a copy which is attached as Appendix E to this Official Statement. The Agency has not requested nor obtained permission from the Auditors to include the FY 2013-14 City Audit Financials as part of Appendix E to this Official Statement. The Auditors have not performed any post-audit review of the financial condition or operations of the City or the Agency for the purposes of this Official Statement.

The inclusion of the Agency's financial transactions in the FY 2013-14 City Audit Financials is solely for convenience. As previously discussed in this Official Statement, the Dissolution expressly clarifies that the Agency is a separate legal entity from the City and the Authority. The assets and the liabilities of the Prior Agency have been transferred to the Agency. The assets and liabilities of the Agency are not assets and liabilities of the City or the Authority.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Bonds are Limited Obligations

The Bonds are limited obligations of the Authority. The Bonds do not constitute a debt or liability of the City, the State of California or of any political subdivision thereof (except the Authority) within the meaning of any constitutional or statutory provision, or a pledge of the faith and credit of the City, the State of California or of any political subdivision thereof, but shall be payable, except to the extent of certain available moneys pledged therefore, solely from Revenues under the Indenture. Neither the faith and credit nor the taxing power of the City, the State of California or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the City, the State of California or any political subdivision thereof to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.

Limitations on Remedies

The enforceability of the rights and remedies of the holders of the Bonds and the Trustee and the obligations incurred by the Authority, or by the Agency under the Fiscal Agent Agreement, may be subject to 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; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise of the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its government bodies in the interest of serving a significant and legitimate public purpose.

Reduction in Taxable Value

Tax Revenues allocated to the RPTTF are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Authority's control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Tax Revenues that provide for the repayment of and secure the Bonds. Such reduction of Tax Revenues could have an adverse effect on the Agency's ability to make timely payments of principal of and interest on the 1994 Agency Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution," Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 1994 Agency Bonds could reduce Tax Revenues securing the 1994 Agency Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the RPTTF, described herein under the heading “RISK FACTORS,” the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the RPTTF and available to the Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature’s impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the source of repayment and security of the 1994 Agency Bonds.

Limited Powers and Resources

The Agency was created pursuant to the Dissolution Act to wind down the affairs of the Prior Agency. The Agency’s powers are limited to those granted under the Dissolution Act. The Agency does not have the power to levy property taxes nor does it have the power to participate in redevelopment activities, except as provided in the Dissolution Act. Many actions by the Agency are subject to the review or approval of the Oversight Board and the State Department of Finance, and, in some cases, the State Controller.

Prior to the Dissolution Act, former redevelopment agencies had the ability to retain funds on hand, accumulated from prior years that were available for use to cover short-term cash flow deficits. In the event of a delay in the receipt of tax increment in any given year, the former redevelopment agency had the option to use such accumulated funds to make payments on bonds when due. Under the Dissolution Act, the Agency, just like each successor agency formed under the Dissolution Act, is required to obtain prior approval from its Oversight Board, and the State Department of Finance, in order to pay an enforceable obligation from a source of funds that is different than the one identified on the ROPS. Except for the Tax Revenues, the Agency has no alternative resources available to make payments on enforceable obligations if there is a delay with respect to scheduled RPTTF disbursements or if the amount from RPTTF disbursements is not sufficient for the required payment of the enforceable obligations.

Risks to Real Estate Market

The Authority’s ability to make payments on the Bonds will be dependent upon the economic strength of the Project Area. The general economy of the Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Agency from the Project Area.

Reduction in Inflationary Rate

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2 percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2 percent, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2 percent. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2 percent limitation several times but in Fiscal Year 2010-11 the inflationary

value adjustment was negative for the first time at -0.237%. In Fiscal Year 2011-12, the inflationary value adjustment was 0.753%, which also is below the 2 percent limitation. For Fiscal Year 2013-14, the inflationary value adjustment is 2.00%, which is the maximum permissible increase under Article XIII A. The Authority is unable to predict if any adjustments to the full cash value of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of the Project Area will be subject to all the risks generally associated with real estate development. Projected development within the Project Area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Project Area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in the Project Area is delayed or halted, the economy of the Project Area could be affected. If such events lead to a decline in assessed values they could cause a reduction in Tax Revenues. In addition, if there is a decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of the Tax Revenues received by the Agency from the Project Area. In addition, the insolvency or bankruptcy of one or more large owners of property within the Project Area could delay or impair the receipt of Tax Revenues.

Concentration of Ownership

The risk of reduction in assessed value as a result of factors described herein may generally increase where the assessed value within the Project Area is concentrated among a relatively few number of property owners. Ownership of property in the Project Area is moderately concentrated, with the ten largest property owners accounting for 13.15% of the Fiscal Year 2014-15 assessed valuation and 16.70% of the Project Area incremental value. Significant reduction in the assessed values of these property owners could, by itself or in combination with other factors, have a material adverse effect on the Agency's ability to pay debt service on the 1994 Agency Bonds as such payments become due and payable. See "THE PROJECT AREA – Largest Property Owners."

Levy and Collection of Taxes

The Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Agency to repay the 1994 Agency Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Agency's ability to make timely payments on the 1994 Agency Bonds. Any reduction in Tax Revenues, whether for any of these reasons or any other reasons, could have an adverse effect on the Agency's ability to pay the principal of and interest on the 1994 Agency Bonds.

State Budget Issues

AB X1 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively. The 2011-12 State budget included projected State savings estimated to aggregate \$1.7 billion in 2011-12 associated with AB X1 27, which would have allowed redevelopment agencies to continue in operation provided their establishing cities or counties agreed to make an aggregate \$1.7 billion in payments to K-12 schools. However, AB X1 27 was found in December 2011 by the California Supreme Court to violate the State Constitution, which altered this budgetary plan of the State. According to the State's Summary of the 2012-13 State budget, AB 1484 implements a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (projected savings of \$1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or Tax Revenues. The full text of each State Assembly bill cited above may be obtained from the "Official California Legislative Information" website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: <http://www.leginfo.ca.gov/bilinfo.html>.

Information about the State budget and State spending is available at various State maintained websites. Text of the current State budget, and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, 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 or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Authority makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Recognized Obligation Payment Schedule

The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Tax Revenues will not be distributed from the RPTTF by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule" and "PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule." In the event the Agency were to fail to file a Recognized Obligation Payment Schedule with respect to a six-month period, the availability of Tax Revenues to the Agency could be adversely affected for such period.

In the event a successor agency fails to submit to the State Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the State Department of Finance may determine if any

amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the State Department of Finance to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the RPTTF in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the State Department of Finance.

Typically, under the RPTTF distribution provisions of the Dissolution Act, the County Auditor-Controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (as described above under “SECURITY FOR THE BONDS – Tax Increment Financing”) and no later than each January 2 and June 1, to each local agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Pass-Through Agreements and Statutory Pass-Through Amounts; (ii) second, on each January 2 and June 1, to the Agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to the Agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any monies remaining in the RPTTF after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity’s share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

If the Agency does not submit an Oversight-Board approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the State Department of Finance does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the RPTTF for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, under the Fiscal Agent Agreement the Agency is required to comply with all requirements of the Redevelopment Law, as amended and supplemented by the Dissolution Act, to insure the allocation and payment to it of Tax Revenues, including the timely filing of any necessary statements with County and State officials. See “APPENDIX H - SUMMARY OF THE FISCAL AGENT AGREEMENT – Maintenance of Tax Revenues.” Thus, the Agency is required to take all actions required under the Dissolution Act to include scheduled debt service on the 1994 Agency Bonds in Recognized Obligation Payment Schedules for each six-month period and to enable the County Auditor-Controller to distribute from the RPTTF to the Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency to pay principal of, and interest on, the 1994 Agency Bonds coming due in the respective six-month period, or when the next property tax allocation is projected to be insufficient to pay all obligations due under the provisions of the 1994 Agency Bonds for the next payment due in the following six-month period.

AB 1484 also adds new provisions to the Dissolution Act implementing certain penalties in the event the Agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the

State Department of Finance. Additionally, the Agency's administrative cost allowance is reduced by 25% if the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods.

Future Implementation of Dissolution Act

Numerous lawsuits have been filed pertaining to the State Department of Finance's implementation of various provisions of the Dissolution Act. A lawsuit (the "Syncora Lawsuit") was filed by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") on August 12, 2012, with the Superior Court of California in the County of Sacramento, *Case No. 34-2012-80001215*. Syncora is the municipal bond insurer for a number of bond insurance policies for outstanding bonds issued by former California redevelopment agencies. Syncora alleges that the Dissolution Act, and specifically the "Redistribution Provisions" (including California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleges that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation. The Syncora Lawsuit was brought as a petition for writ of mandate and complaint for declaratory relief, inverse condemnation, and injunctive relief. On May 29, 2013, the Court entered a ruling. The Court (1) denied Syncora any form of relief requested in the Complaint and Petition on its impairment of contracts claims, on the ground that those claims were premature, as no evidence was submitted by Syncora that any redevelopment agency bonds it insures are in default or that any redevelopment agency bonds are in default at all; and (2) held that Syncora's takings claims are not necessarily premature, that an evidentiary hearing should be conducted to address such claims, and that the parties should file status reports with the Court addressing certain issues in connection with such evidentiary hearing. On August 16, 2013, the parties filed with the Court a proposed stipulated judgment which dismisses Syncora's impairment of contract claims and takings claims without prejudice on grounds of prematurity. The stipulated judgment, as proposed by the parties, was entered on October 3, 2013.

The Authority cannot predict the outcome of any pending or future lawsuit with respect to the interpretation, the implementation or the validity of any provision of the Dissolution Act, including the provisions under which the Bonds are secured. The Authority believes that the federal and State Constitutions clauses regarding contract impairments and takings provide protection to the bondholders of the Bonds in the event of any lawsuit concerning provisions affecting the validity and payment on bonds issued under the Bond Law. However, the outcome of any such lawsuit is beyond the Authority's control.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay

would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

Estimated Revenues

In estimating that Revenues will be sufficient to pay debt service on the Bonds, the Authority has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Authority believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the Revenues available to pay debt service on the Bonds will be less than those projected and such reduced Revenues may be insufficient to provide for the payment of principal of and interest on the Bonds.

Assumptions and Projections

To estimate the Revenues available to pay debt service on the Bonds, the Fiscal Consultant has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Authority believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates or the percentage of taxes collected are less than such assumptions, the Revenues available to pay debt service on the Bonds may be less than those projected. No assurance can be made that the aggregate coverage projections with respect to the Bonds will be met.

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. The Authority does not 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. Such forward-looking statements include, but are not limited to, certain statements contained in the information in “INTRODUCTION,” “THE PROJECT AREA,” and “TAX REVENUES.”

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as

droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Numerous active and inactive fault lines pass through or near the City. The occurrence of severe seismic activity in the City could result in substantial damage to property located in the Project Area, and could lead to successful appeals for reduction in assessed values of such property. Such a reduction could result in a decrease in Revenues.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of Tax Revenues, which could have an adverse effect on the Agency's ability to pay debt service on the 1994 Agency Bonds.

Economic Risk

The Authority's ability to make payment on the Bonds will be partially dependent upon the economic strength of the Project Area. If there is a decline in the general economy of the Project Area, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of Revenues. Furthermore, general economic declines are likely to result in additional reductions of assessed values. In the event of decreased values, Tax Revenues may decline even if property owners make timely payment of property taxes.

Investment Risk

Funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See APPENDIX A attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Authority, into which a portion of the proceeds of the Bonds will be deposited and into which Revenues are deposited, may be invested by the Authority in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Authority cannot predict the effects on the receipt of Tax Revenues if the County were to suffer significant losses in its portfolio of investments or if the County or the City were to become insolvent or declare bankruptcy. See "APPENDIX E – COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2014" regarding the City's finances. See also "RISK FACTORS – Bankruptcy and Foreclosure."

Additional Obligations

The potential for the issuance of Parity Debt could, in certain circumstances, increase the risks associated with the Authority's payment of debt service on the Bonds in the event of a decrease in the Agency's collection of Tax Revenues. However, Section 34177.5 of the Dissolution Act provides limited authority for successor agencies to issue bonds, and the Agency's ability to issue Parity Debt is subject to the requirements of the Dissolution Act as in effect from time to time. For additional information, see described "SECURITY FOR THE BONDS – Parity Debt."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, *ad valorem* taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (cities, schools and special districts) that share in the *ad valorem* tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective RPTTF.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. 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. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or

completion of new construction. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. This statute provides increased revenue to the RPTTF to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Area, Tax Revenues may increase.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the RPTTF. For Fiscal Year 2013-14, the County's administrative charge to the Agency attributable to the Project Area was \$_____, and for Fiscal Year 2014-15, the County's administrative charge to the Agency for the Project Area is estimated to be \$_____.

Negotiated Pass-Through Agreements. Prior to 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay increment revenues to any taxing agency that has territory located within a redevelopment project in an amount which in the agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provide for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements. The Agency agreements with affected taxing agencies are referred to herein as "Pass-Through Agreements." See "THE PROJECT AREA – Pass-Through Agreements." See also "SECURITY FOR THE BONDS – Tax Increment Financing" for additional discussion of the treatment of Pass-Through Agreements under the Dissolution Act.

Statutory Pass-Throughs. The payment of Statutory Pass-Through Amounts results from (i) plan amendments which add territory in existing project areas on or after January 1, 1994 and (ii) from plan amendments which eliminates one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due affected taxing entities is described in Sections 33607.5 and 33607.7 of the Redevelopment Law. See "THE PROJECT AREA – Statutory Pass-Throughs" and "SECURITY FOR THE BONDS – Tax Increment Financing" for further information regarding the applicability of the statutory pass-through provisions of the Redevelopment Law and the Dissolution Act to the various sub-areas of the Project Area.

Recognized Obligation Payment Schedule. The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Tax Revenues will not be distributed from the RPTTF by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule" and "RISK FACTORS – Recognized Obligation Payment Schedule."

Unitary Property

Assembly Bill (“AB”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive that same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro-rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro-rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modifies chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

Article XIII A of the State Constitution

Article XIII A limits the amount of ad valorem taxes on real property to 1% of “full cash value” of such property, as determined by the county assessor. Article XIII A defines “full cash value” to mean “the County Assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value,’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” Furthermore, the “full cash value” of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchase” and “change of ownership,” for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Appropriations Limitation – Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions 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 government entity. The "base year" for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by an agency of proceeds of taxes levied by or on behalf of an agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Agency has not adopted an appropriations limit.

Articles XIII C and XIII D of the State Constitution

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIII C and XIII D to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See also "– Propositions 218 and 26" below.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Prior Agency or the Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board").

Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See "THE PROJECT AREA – Largest Property Owners" for information regarding the assessed valuations of the top ten property owners within the Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. Tax Revenues securing the Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Authority’s or the Agency revenues.

THE PROJECT AREA

Under the Redevelopment Law, the City Council is required to adopt, by ordinance, a redevelopment plan for each redevelopment project (the “Redevelopment Plan”). Pursuant to the Redevelopment Law, the City Council originally established three separate redevelopment project areas. The Central Business District Redevelopment Project was adopted and approved on December 21, 1971 by Ordinance No. 66-NS of the City Council. The Huntington Park Industrial Redevelopment Project was created on May 25, 1977 with the adoption by the City of Ordinance No. 167-NS. On July 7, 1980, the City adopted and approved Ordinance No. 261-NS establishing the Huntington Park North Redevelopment Project.

On February 5, 1990 with the adoption of Ordinance No. 468-NS, the City Council took action to merge the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project for the purposes of allocating Tax Increment Revenues. Collectively, the three merged redevelopment projects are referred to herein as the “Merged Redevelopment Project.”

Land Use

The table below describes the land use by secured assessed value within the Project Area for the current fiscal year.

<u>Land Use</u>	<u>Number of Parcels</u>	<u>FY 14-15 Secured Assessed Valuation</u>	<u>Percent of Secured Assessed Valuation</u>
Commercial	382	\$418,098,746	38.32%
Residential	1,386	331,969,311	30.42
Industrial	373	238,306,074	21.84
Institutional	24	73,792,203	6.76
Recreational	9	14,418,855	1.32
Unknown	10	7,963,357	0.73
Government	30	6,573,760	0.60
Miscellaneous	<u>50</u>	<u>-</u>	<u>0.00</u>
Total Parcels	4,801	\$1,091,122,306	100.00%

Source: Los Angeles County Assessor 2014-15 Secured Tax Roll.

Plan Limitations

The Redevelopment Plan imposes certain limitations on the amount of Tax Increment Revenues that the Agency may be allocated from the Project Area. In addition, Assembly Bill 1290 (“AB 1290”) enacted by the State Legislature in 1994 provides that a redevelopment agency may not pay indebtedness or receive property taxes pursuant to Section 33670 of the Redevelopment Law after 10 years from the termination of the

effectiveness of the Redevelopment Plan (which is now limited to 40 years after the adoption of the Redevelopment Plan).

The following chart provides limitations as imposed by the original redevelopment plans as amended by the Merged Redevelopment Project or as imposed by AB 1290:

	Central Business District	North	Industrial	Merged
Maximum Annual Tax Revenues ⁽¹⁾				\$1,500,000,000
Maximum Bonded Indebtedness ⁽²⁾				\$500,000,000
Adoption Date	12/21/1971	7/7/1980	5/25/1977	2/5/1990
Last Date to Incur Debt	1/1/2004	7/7/2000	1/1/2004	
Plan Expiration Date	12/21/2011	7/7/2020	5/25/2017	
Last Date to Collect Tax Revenues ⁽³⁾	12/21/2022	7/7/2013	5/25/2028	
Tax Revenues Received to Date ⁽⁴⁾	\$	\$	\$	\$

⁽¹⁾ For redevelopment plans adopted prior to January 1, 1977, this limitation applies only to tax increment revenues allocated to the redevelopment project after 1986.

⁽²⁾ Not required for redevelopment plans adopted prior to January 1, 1977.

⁽³⁾ Limit required by AB 1290.

⁽⁴⁾ As of _____.

Pass-Through Agreements

The Agency has entered into the following tax sharing agreements with regards to tax revenues generated in the Project Area.

On January 30, 1990, the Prior Agency, the City, the Consolidated Fire Protection District of the County of Los Angeles (the “District”) and the County entered into an Amended and Restated Agreement for Allocation of Tax Increment Funds (the “Merged Tax Sharing Agreement”) with respect to merging the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project. The Merged Tax sharing Agreement provides that there will be allocated to (a) the District, 15.5% of the tax increment revenues, (b) the County, 48.9% of the tax increment revenues and (c) the Agency, the balance. The Merged Tax Sharing Agreement provides that the County will lend the Agency that portion of the of the County’s share necessary to assist the Agency in paying certain existing bonded indebtedness (the “Merged County Deferral”). Pursuant to the Merged Tax Sharing Agreement, the County has subordinated its right to receive its allocated share of the tax increment revenues as well as repayment of the Merged County Deferral to the debt service on the Bonds. See “APPENDIX F – FISCAL CONSULTANT’S REPORT.”

Statutory Pass-Through

The Agency is obligated under Health & Safety Code Section 33607.5 and Section 33607.7 (the “AB 1290 Pass Through Formula”) to share tax increment revenues generated in the Neighborhood Preservation Project Area with any affected taxing entity that does not receive payments from a tax sharing agreement. Generally, the AB 1290 Pass Through Formula is as follows:

	<u>Pass Through⁽¹⁾</u>
Tier A (Years 1-10)	25%
Tier B (Years 11-30)	21% + Tier A
Tier C (Years 31-40)	14% + Tiers A & B

⁽¹⁾ Percentage of taxing entity’s share of AB 1290 Pass Through Formula tax increment reduced by pro-rata share of Agency’s low and moderate housing set-aside. Although housing set-aside by successor agencies is no longer required, the Dissolution Act requires that pass through payments which previously deducted the housing set-aside in the calculation of such payments continue to be calculated in that manner.

Largest Property Owners

Set forth below are the ten largest property owners in the Project Area based on the 2014-15 property tax roll.

	<u>Property Owner</u>	<u>Primary Land Use⁽¹⁾</u>	<u>2014-15 Assessed Valuation</u>	<u>Percentage of Total</u>
1.	Crown Poly Inc.	Unsecured	\$26,733,709	2.25%
2.	RHA Partners Limited ⁽¹⁾	Commercial	20,871,790	1.76
3.	Pacific Imedra Partners LLC ⁽¹⁾	Commercial	19,664,100	1.65
4.	Huntington Park 607 LP	Residential	17,277,895	1.45
5.	Home Depot USA Inc.	Commercial	16,162,292	1.36
6.	Abraham and Atiye Sengul Trust ⁽¹⁾	Commercial	12,384,970	1.04
7.	6700 Alameda HPCA LLC	Industrial	11,393,033	0.96
8.	Nicholas B. Alexander Company Trust ⁽¹⁾	Commercial	11,161,944	0.94
9.	Seville Gardens LLC	Residential	10,939,529	0.92
10.	Leonardo and Iris Lopez Trust	Commercial	<u>9,871,979</u>	<u>0.83</u>
	TOTAL		<u>\$ 156,466,240</u>	<u>13.15%</u>
	Agency Total		<u>\$1,189,426,817</u>	
	Incremental Net Assessed Valuation Total		<u>\$ 936,664,691</u>	<u>16.70%</u>

⁽¹⁾ Pending appeals on parcels.

⁽²⁾ Institutional land uses have been excluded due to property tax exemptions.

Source: Willdan Financial Services with information from the Los Angeles County 2014-15 Secured Property Tax Roll and the SBE Non Unitary Tax Roll.

Appeals

As previously discussed under “PROPERTY TAXATION IN CALIFORNIA – Appeals of Assessed Values,” property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

Since 2011, there have been 341 assessment appeals filed on properties within the Project Area. Of the 341 appeals filed, 93 appeals have been resolved, 59 (63.44%) of the resolved appeals have been allowed with a reduction in value and 34 (36.56%) of the resolved appeals have been denied or withdrawn. The 59 appeals allowed with a reduction in value since 2011 had original values totaling \$77,443,837 and resulted in value losses of \$17,114,687 (22.10%). There are 248 appeals pending within the Project Area with a total value under appeal of \$450,620,233. The projections for the Project Area use historical averages to estimate losses due to pending appeals. Reductions in revenue for refunds that may result from this appeal, if successful, have not been estimated.

All assessment appeals filed in 2013 and 2014 are pending. To estimate the average assessed value lost through assessment appeals the previous three years were used. The following table illustrates the appeals history from 2010 through 2012 (the most recent three years of complete appeals history) in appeal number order.

When the assessed value reduction is compared to the Agency’s total assessed value for each of those three years, the average assessed value reduction is equal to 0.7%. As such, the tax increment projections described in section “TAX REVENUES” below and in “APPENDIX F – FISCAL CONSULTANT’S REPORT” use a 1.3% assessed value growth rate to account for future assessment appeals instead of the legislative limit of 2.0%.

The following tables set forth information regarding historical and pending appeals in the Project Area. The Authority has no way of knowing the outcome of these pending appeals or their effect on the valuation in the Project Area.

Historical Assessment Appeals For Appeals Reviewed Fiscal Year 2009-10 through Fiscal Year 2011-12

<u>Appeals</u>	<u>Count</u>	<u>Roll Valuation Total</u>	<u>Board Value</u>	<u>Reduction Allowed</u>	<u>Value Decline</u>
Allowed	110	\$177,888,565	\$139,820,581	\$(38,067,984)	21.40%
Denied	64	103,212,176			
Pending	<u>138</u>	<u>257,586,213</u>			
Total	312	\$538,686,954	\$139,820,571	\$(38,067,984)	

Source: Willdan Financial Services with data obtained from the City of Huntington Park.

TAX REVENUES

Schedule of Historical Tax Revenues

The following table represents the historical assessed valuation and incremental valuation within the Project Area for the Fiscal Years 2010-11 through 2014-15.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Secured					
Land	\$431,628,329	\$428,457,631	\$436,630,271	\$451,018,410	\$463,482,329
Improvements	546,456,479	567,227,110	580,215,137	596,469,941	615,513,558
Fixtures	1,889,305	1,278,809	2,146,057	1,973,955	1,993,859
Personal Property	1,501,775	1,752,377	1,562,878	1,514,726	1,638,502
Gross Total	981,475,888	998,715,927	1,020,554,343	1,050,977,032	1,082,628,248
Less Exemptions	<u>(63,998,294)</u>	<u>(85,799,812)</u>	<u>(87,831,056)</u>	<u>(87,992,949)</u>	<u>(58,101,413)</u>
Net Total Secured Valuation	917,477,594	912,916,115	932,723,287	963,054,083	1,024,526,835
Unsecured					
Land	-	-	-	-	-
Improvements	-	-	-	-	-
Fixtures	43,116,523	43,577,580	38,990,957	40,012,860	40,842,330
Personal Property	59,800,423	61,101,341	56,203,049	59,268,251	57,462,181
Gross Total	102,916,946	104,678,921	95,194,006	99,281,111	98,304,511
Less Exemptions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Unsecured Valuation	102,916,946	104,678,921	95,194,006	99,281,111	98,304,511
Total Assessed Valuation	\$1,020,394,540	\$1,017,595,036	\$1,027,917,293	\$1,062,335,194	\$1,122,831,346
Base Year Valuation	186,305,994	186,166,655	186,166,655	186,166,655	186,166,655
Increment Value	<u>\$834,088,546</u>	<u>\$831,428,381</u>	<u>\$841,750,638</u>	<u>\$876,168,539</u>	<u>\$936,664,691</u>

Source: Willdan Financial Services with data obtained from Los Angeles County Assessor Combined Tax Rolls and the SBE Non-Unitary Tax Roll.

The following table is a schedule of the taxable valuations and resulting Tax Revenues in the Project Area for the Fiscal Years 2010-11 through 2014-15.

	2010-11	2011-12	2012-13	2013-14	2014-15
Incremental Valuation	\$834,088,546	\$831,428,381	\$841,750,638	\$876,168,539	\$936,664,691
Gross Revenues ⁽¹⁾	8,340,885	8,314,284	8,417,506	8,761,685	9,366,647
Less: Prior Low and Moderate Housing Fund Deposits	(1,668,177)	(1,662,857)	--	--	--
Less: County Admin. Fees	(166,818)	(166,286)	(168,350)	(175,234)	(187,333)
Less: Pass-Through Payments ⁽²⁾	<u>(1,034,270)</u>	<u>(1,080,971)</u>	<u>(1,304,713)</u>	<u>(1,358,061)</u>	<u>(1,451,830)</u>
Tax Revenues ⁽¹⁾	\$5,471,621	\$5,454,170	\$6,944,443	\$7,228,390	\$7,727,484

⁽¹⁾ Based on 1% of incremental valuation. Does not include Override Tax (as defined herein).

⁽²⁾ District pass-through are estimated utilizing 15.5% estimated weighted share.

Source: Willdan Financial Services with data obtained from Los Angeles County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll.

Based on the tax revenue projections, the Agency’s cap on maximum tax increment revenues that it can receive will not be reached before the final maturity date of the 1994 Agency Bonds.

Projected Taxable Valuation and Tax Revenues

The Authority has retained Willdan Financial Services of Temecula, California to provide projections of taxable valuation and Tax Revenues from the Project Area. The Authority believes the assumptions (set forth in the footnotes below and “APPENDIX F – FISCAL CONSULTANT’S REPORT”) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur (see “RISK FACTORS”). Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

A summary of the projected taxable valuation and Tax Revenues with a projected 1.3% annual valuation growth (2% of annual growth less an estimated assessment appeal reduction rate of 0.7%) is as follows:

Fiscal Year	Assessed Valuation ⁽¹⁾	Gross Tax Increment ⁽²⁾	County Administrative Fees	Pass Through Payments	Net Tax Revenues
2014-15					
2015-16					
2016-17					
2017-18					
2018-19					
2019-20					
2020-21					
2021-22					
2022-23					
2023-24					

⁽¹⁾ Based on actual Fiscal Year 2014-15 assessed valuation, with assumed 1.3% annual valuation growth thereafter. See “RISK FACTORS – Concentration of Ownership” and “THE PROJECT AREA – Largest Property Owners.”

⁽²⁾ Based on 1.00% tax rate applied to incremental valuation.

Source: Willdan Financial Services.

Pension Override Property Tax Revenues

In 1976, the voters of the City approved a pension obligation tax override to fund the City's Public Employees Retirement System (the "Pension Override Tax"). The Override Tax rate is 0.21%, in addition to the 1.0% general property tax rate levy.

Under the Prior Redevelopment Law the Pension Override Tax was distributed to the Prior Agency, and the Prior Agency passed on to the City the portion of the tax increment that was intended by voters to be used for pension obligations. Under the Dissolution Act, however, all tax increment is deposited in the RPTTF, including the Pension Override Tax. To date, the Agency has been receiving the Pension Override Tax. Senate Bill 663 ("SB 663") was introduced in February 2013, which would prohibit any revenues derived from the imposition of property tax rates to make payments in support of pension programs, like the Pension Override Tax, from being allocated to a Redevelopment Property Tax Trust Fund. SB 663 was not approved by the State legislature, but no assurance can be made that similar legislation will not be approved in the future. If such legislation is successful, the Pension Override Tax will not be available to secure the payment of debt service on the 1994 Agency Bonds. For Fiscal Year 2013-14, the amount of Pension Override Tax collected was \$_____.

Debt Service Coverage

Set forth below is the estimated debt service coverage of the 1994 Agency Bonds and the Bonds using Fiscal Year 2014-15 Tax Revenues without additional growth through maturity.

Bond Year Ending September 1	No Growth Tax Revenues Available for Debt Service	Annual Debt Service on the 1994 Agency Bonds	Debt Service Coverage on the 1994 Agency Bonds	Annual Debt Service on the Bonds	Debt Service Coverage on the Bonds
2015		\$6,101,200.00		\$4,673,327.58	
2016		7,443,859.00		5,404,627.50	
2017		7,599,989.00		5,406,477.50	
2018		7,789,761.00		5,403,772.50	
2019		3,253,373.00		3,032,510.00	
2020		3,252,216.00		3,036,357.50	
2021		3,254,397.00		3,033,557.50	
2022		3,253,887.00		3,036,257.50	
2023		6,101,200.00		4,673,327.58	
2024		7,443,859.00		5,404,627.50	

Source: The Fiscal Consultant and the Underwriter.

Set forth below is the estimated debt service coverage of the 1994 Agency Bonds and the Bonds using Fiscal Year 2014-15 Tax Revenues and a 1.3% annual growth scenario thereafter through maturity.

Bond Year Ending September 1	Tax Revenues Available for Debt Service	Annual Debt Service on the 1994 Agency Bonds	Debt Service Coverage on the 1994 Agency Bonds	Annual Debt Service on the Bonds	Debt Service Coverage on the Bonds
2015		\$6,101,200.00		\$4,673,327.58	
2016		7,443,859.00		5,404,627.50	
2017		7,599,989.00		5,406,477.50	
2018		7,789,761.00		5,403,772.50	
2019		3,253,373.00		3,032,510.00	
2020		3,252,216.00		3,036,357.50	
2021		3,254,397.00		3,033,557.50	
2022		3,253,887.00		3,036,257.50	
2023		6,101,200.00		4,673,327.58	
2024		7,443,859.00		5,404,627.50	

Source: The Fiscal Consultant and the Underwriter.

TAX MATTERS

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquire their Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds are sold to the public) and who will hold their Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such

partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion is set forth in APPENDIX F – “FORM OF OPINION OF BOND COUNSEL.”

Stated interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. Federal income tax purposes.

The Bonds are expected to be issued with original issue discount (“OID”). In general, the excess of the stated redemption price at maturity of a Bond over its issue price will constitute OID for U.S. federal income tax purposes. The stated redemption price at maturity of a Bond is the sum of all scheduled amounts payable on the Bond (other than qualified stated interest). U.S. Holders of the Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

The Bonds are not expected to be treated as issued with OID for U.S. federal income tax purposes because the stated redemption price at maturity of the Bonds is not expected to exceed their issue price, or because any such excess is expected to only be a *de minimis* amount (as determined for tax purposes).

Disposition of the Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the Bond decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a noncorporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Tax on Net Investment Income. Certain non-corporate U.S. Holders of Bonds will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (in the case of individuals) or “undistributed net investment income” (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder’s “modified adjusted gross income” (in the case of individuals) or “adjusted gross income” (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual’s circumstances). A U.S. Holder’s calculation of net investment income generally will include its interest income on the Bonds and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business

that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Bonds.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 28% with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” payments of principal of, and interest on, any Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. withholding tax provided that the beneficial owner of the Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that at the time of such individual’s death, payments of interest with respect to such Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “FATCA,” under current U.S. Treasury Regulations, payment of principal and interest on any Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Bond or a financial institution holding the Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States

person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. If a financial institution, other than a financial institution that is a qualified intermediary, provides the certification, the certification must state that the financial institution has received from the beneficial owner the certification set forth in the preceding sentence, set forth the information contained in such certification, and include a copy of such certification, and an authorized representative of the financial institution must sign the certificate under penalties of perjury. A financial institution generally will not be required to furnish to the IRS the names of the beneficial owners of the Bonds that are not United States persons and copies of such owners' certifications where the financial institution is a qualified intermediary that has entered into a withholding agreement with the IRS pursuant to applicable U.S. Treasury Regulations.

In the case of payments to a foreign partnership, foreign simple trust or foreign grantor trust, other than payments to a foreign partnership, foreign simple trust or foreign grantor trust that qualifies as a withholding foreign partnership or a withholding foreign trust within the meaning of applicable U.S. Treasury Regulations and payments to a foreign partnership, foreign simple trust or foreign grantor trust that are effectively connected with the conduct of a trade or business within the United States, the partners of the foreign partnership, the beneficiaries of the foreign simple trust or the persons treated as the owners of the foreign grantor trust, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from withholding and backup withholding tax requirements. The current backup withholding tax rate is 28%.

In addition, if the foreign office of a foreign "broker," as defined in applicable U.S. Treasury regulations pays the proceeds of the sale of a Bond to the seller of the Bond, backup withholding and information reporting requirements will not apply to such payments provided that such broker derives less than 50% of its gross income for certain specified periods from the conduct of a trade or business within the United States, is not a controlled foreign corporation, as such term is defined in the Code, and is not a foreign partnership (1) one or more of the partners of which, at any time during its tax year, are U.S. persons (as defined in U.S. Treasury Regulations Section 1.1441-1(c)(2)) or (2) which, at any time during its tax year, is engaged in the conduct of a trade or business within the United States. Moreover, the payment by a foreign office of other brokers of the proceeds of the sale of a Bond will not be subject to backup withholding unless the payer has actual knowledge that the payee is a U.S. person. Principal and interest so paid by the U.S. office of a custodian, nominee or agent, or the payment by the U.S. Office of a broker of the proceeds of a sale of a Bond, is subject to backup withholding requirements unless the beneficial owner provides the nominee, custodian, agent or broker with an appropriate certification as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

FATCA. Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of U.S. source interest (including OID) and sales proceeds of debt obligations held by or through a foreign entity. Withholding under FATCA generally will apply to (i) payments of U.S. source interest (including OID) made after June 30, 2014, (ii) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain foreign "pass-thru" payments no earlier than January 1, 2017, but exempt from withholding any payments

made on and proceeds realized from the disposition of obligations that are outstanding on July 1, 2014 and are not substantially modified after that date, which exemption should exclude the Bonds from the withholding provisions of FATCA. Prospective investors should nonetheless consult their own tax advisors regarding FATCA and its effect on them.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the Authority and its tax advisors are (or may be) required to inform prospective investors that:

- i. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;
- ii. any such advice is written to support the promotion or marketing of the Bonds and the transactions described herein; and
- iii. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

CONCLUDING INFORMATION

Underwriting

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Bonds from the Authority at a price equal to \$_____ (which equals the par amount of the Bonds, less an underwriting discount of \$_____ and [plus/less] a net original issue [premium/discount] of \$_____).

The Underwriter intends to offer the 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 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 Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallocate any such discounts on sales to other dealers.

Verification of Mathematical Accuracy

[_____] (the "Verification Agent"), an independent accountant, upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Authority, relating to the sufficiency of monies deposited into the 2004 Escrow Fund created under the 2004 Escrow Agreement, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements with respect to the Series 2004 Bonds.

The report of the Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

Legal Opinions

The opinions of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, approving the validity of the Bonds and stating that the interest on the Bonds is exempt from personal income taxes of the State of California, under present State income tax laws, will be furnished to the purchaser at the time of delivery of the Bonds at the expense of the Authority. Compensation for Bond Counsel's services is entirely contingent upon the sale and delivery of the Bonds.

A copy of the proposed forms of Bond Counsel's final approving opinions with respect to the Bonds are attached hereto as APPENDIX B.

The legal opinions are only as to legality and are not intended to be nor are they to be interpreted or relied upon as a disclosure document or an express or implied recommendation as to the investment quality of the Bonds.

In addition, certain legal matters also will be passed upon for the Authority by Olivarez Madruga, P.C., as Authority Counsel.

Litigation

[There is no action, suit or proceeding known to the Authority to be pending and notice of which has been served upon and received by the Authority, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority taken with respect to any of the foregoing.] [CONFIRM]

Rating

Standard & Poor's Rating Services, a Standard & Poor's Financial Services, LLC Company ("S&P") has assigned its underlying municipal bond rating of "_____" to the Bonds. Such rating reflects the view of S&P as to the credit quality of the Bonds. The rating reflects only the view of S&P, and explanation of the significance of the rating may be obtained from Standard & Poor's Ratings Group, 55 Water Street, New York, New York 10041 (212) 438-2124. There is no assurance that the rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Continuing Disclosure

Pursuant to a Continuing Disclosure Agreement, dated as of _____ 1, 2015 (the "Continuing Disclosure Agreement"), by and between the Authority and U.S. Bank National Association, as dissemination agent, the Authority has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Agency no later than nine months following the end of the Agency's fiscal year (the "Annual Report"), commencing with the report for Fiscal Year 2014-15, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the Authority or its dissemination agent with the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Marketplace Access ("EMMA") website. The specific nature of the information to be contained in the Annual Report and the notice of material events is set forth in "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 (the "Rule") adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

[DESCRIBE PRIOR FAILINGS, IF ANY]

Miscellaneous

All of the preceding summaries of the Indenture, the Bond Law, the Dissolution Act, the Redevelopment Law, other applicable legislation, the Redevelopment Plan for the Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Authority for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Interim Executive Director has been duly authorized by the Authority.

HUNTINGTON PARK PUBLIC FINANCE AUTHORITY

By: _____
Interim Executive Director

APPENDIX A
SUMMARY OF THE INDENTURE

APPENDIX B

FORM OF BOND COUNSEL OPINION

Upon issuance of the Bonds, Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

Date of Delivery

[TO COME]

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 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 certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the 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 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, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds 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.

DTC may discontinue providing its services as depository with respect to the 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, certificates representing the Bonds 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, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
FISCAL YEAR ENDED JUNE 30, 2014**

APPENDIX F
FISCAL CONSULTANT'S REPORT

APPENDIX G

SUPPLEMENTAL INFORMATION – THE CITY OF HUNTINGTON PARK

The following information concerning the City of Huntington Park (the “City”) and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the State or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable therefor.

General

The City of Huntington Park (the “City”), is located 5 miles south of downtown Los Angeles. The City’s three square miles are characterized by a downtown retail area and dense residential development, encircled by large-scale industrial development in nearby cities. The City is bordered on the south by the City of South Gate, on the east by the City of Bell, by the cities of Vernon and Maywood to the north, and on the west by unincorporated Los Angeles County.

The City is a general law city and was incorporated on September 1, 1906. The City has a Council/City Manager form of government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected bi-annually at large to four-year terms. The City employs a staff of ___ full-time employees and ___ part-time employees under the direction of the City Manager.

The City provides water service, refuse collection, street maintenance, parks and recreation and building inspection. Law enforcement services are also provided by the City. Currently, the Huntington Park Police Department employs ___ sworn officers and operates ___ patrol vehicles. Fire protection and emergency services are provided through an agreement with the County of Los Angeles, which stations ___ full time firefighters in the City. In addition, there are mutual aid agreements in effect with nearby fire units which make additional firefighters available.

Population

The City has a population of approximately 59,033 (January, 2014, State Department of Finance).

CITY, COUNTY, STATE POPULATION DATA

<u>Year</u> <u>January 1</u>	<u>City of</u> <u>Huntington Park</u>	<u>Los Angeles</u> <u>County</u>	<u>State of</u> <u>California</u>
2004	64,265	9,806,944	35,570,847
2005	64,466	9,816,153	35,869,173
2006	64,362	9,798,609	36,116,202
2007	64,285	9,780,808	36,399,676
2008	64,270	9,785,474	36,704,375
2009	64,376	9,801,096	36,966,713
2010	64,219	9,818,605	37,223,900
2011	58,329	9,860,836	37,510,766
2012	58,624	9,889,520	37,688,804
2013	59,062	9,958,091	37,996,471
2014	59,033	10,041,797	38,340,974

Source: State of California Department of Finance.

Assessed Valuation and Tax Collection

Taxes are levied for each Fiscal Year on taxable real and personal property which is situated in each City as of the preceding January 1. 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 rolls is that part of the assessment roll containing State-assessed public utilities property and property the taxes on which are a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the unsecured roll.

Property Taxes on the secured roll are due in two installments, on November 1 and February 1 of the Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10 respectively, and a 10% penalty attaches to any delinquent payment. Property becomes tax-defaulted if property taxes are not fully paid by July 1 of the Fiscal Year and such property becomes subject to sale by the County Tax Collector if it remains tax-defaulted for five years. Tax-defaulted property may be redeemed by payment of delinquent taxes, the 10% delinquency penalty, and a redemption penalty of 1.5% per month.

Property taxes on the unsecured roll are due as August of the Fiscal Year and become delinquent, if unpaid, on August 31, of the Fiscal Year. A 10% penalty attaches to the delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 30 of the Fiscal Year. The taxing authority has four ways of collecting unsecured personal property taxes: (a) a civil action against the taxpayer; (b) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (c) filing a certificate of delinquency for record in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (d) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

A five-year history of the City's assessed valuation is as follows:

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11				
2011-12				
2012-13				
2013-14				
2014-150				

Source: California Municipal Statistics, Inc.

Largest Local Secured Taxpayers

Set forth below are the ten largest local secured taxpayers in the City based on the 2012-13 secured property tax roll. These taxpayers represent approximately 5.52% of the total secured valuation in the City.

	<u>Property Owner</u>	<u>2012-13 Assessed Valuation</u>	<u>% of Total</u>
1.	Crown Poly Inc.	\$29,435,853	1.25%
2.	RHA Parnters Limited	20,370,072	0.86
3.	Pacific Imedra Partners LLC	19,191,428	0.81
4.	MP Investors LLC	16,522,833	0.70
5.	Home Depot USA Inc.	16,172,462	0.698
6.	Nicholas B. Alexander Trust	11,804,440	0.50
7.	Primestor Las Palmas LLC	11,662,172	0.50
8.	Joseph M and Leona Fallas Trust	11,523,467	0.49
9.	Rita Partners	11,423,829	0.48
10.	6700 Alameda HPCA LLC	<u>11,124,041</u>	<u>0.47</u>
	TOTAL	\$159,230,597	5.52%

Source: HdL, Coren and Cone.

Taxable Transactions

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions is presented in the following table.

	Taxable Transactions (In thousands)				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013⁽¹⁾</u>
Retail Stores					
Motor Vehicle and Parts Dealers	\$ 87,629	\$ - ⁽²⁾	\$ 83,912	\$ 85,992	\$ 21,798
Home Furnishings/Appliance Stores	25,901	25,589	24,356	22,436	5,416
Bldg. Matrl./Garden Equip. & Supplies	- ⁽²⁾	- ⁽²⁾	- ⁽²⁾	- ⁽²⁾	18,327
Food and Beverage Stores	26,497	26,637	27,729	28,378	6,814
Gasoline Stations	26,196	30,749	38,930	40,761	9,600
Clothing/Clothing Accessories Stores	42,005	41,529	38,329	36,814	9,620
General Merchandise Stores	37,661	37,320	40,659	38,662	8,217
Food Services and Drinking Places	63,651	63,803	65,850	68,004	18,207
Other Retail Group	<u>79,744⁽²⁾</u>	<u>165,486⁽²⁾</u>	<u>84,688⁽²⁾</u>	<u>97,451⁽²⁾</u>	<u>7,453</u>
All Other Outlets	\$ 87,556	\$ 83,945	\$ 89,997	\$ 96,718	\$ 541
TOTAL	<u>\$476,840</u>	<u>\$475,060</u>	<u>\$494,450</u>	<u>\$515,217</u>	<u>\$130,766</u>

⁽¹⁾ Through first quarter of 2013.

⁽²⁾ Sales omitted because their publication would result in the disclosure of confidential information. Included with "Other Retail Group" when possible.

Source: California State Board of Equalization.

Building Activity

The following provides a summary of residential and non-residential building permit valuation and the number of new dwelling units authorized in the City from 20089 through 2013

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential	\$ 3,565,700	\$ 2,330,800	\$1,661,896	\$ 887,000	\$2,475,445
Non-Residential	<u>13,495,200</u>	<u>7,898,600</u>	<u>5,978,414</u>	<u>916,000</u>	<u>3,067,017</u>
Total	<u>\$17,060,900</u>	<u>\$10,229,400</u>	<u>\$7,640,310</u>	<u>\$1,803,000</u>	<u>\$5,542,462</u>
Units					
Single Family	1	0	2	1	1
Multiple Family	0	0	0	0	0
Total	1	0	2	1	1

Source: Construction Industry Research Board for 2009-2010 data; California Homebuilding Foundation CHF/CIRB for 2011-2013 data.

Employment and Industry

According to the California Employment Development Department, in December 2013 there were an estimated 27,100 members of the civilian labor force in the City and an estimated unemployment rate of 14.8%. Major private employers in the community include _____.

The following table provides a historical view of employment by industry within Los Angeles County for the period from 2009 through 2013.

CITY AND COUNTY LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATES Yearly Average for Years 2009 to 2013

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<i>Los Angeles County</i>					
Unemployment Rate	11.6%	12.6%	12.3%	10.9%	9.9%
Employment	4,339,300	4,298,500	4,331,500	4,365,800	4,470,700
Unemployment	568,300	617,900	604,900	535,500	489,600
Civilian Labor Force	4,907,600	4,916,300	4,936,400	4,901,300	4,960,300
<i>City of Huntington Park</i>					
Unemployment Rate	17.2%	18.5%	18.1%	16.3%	14.8%
Employment	22,400	22,200	22,400	22,600	23,100
Unemployment	4,700	5,100	5,000	4,400	4,000
Civilian Labor Force	27,100	27,370	27,300	26,900	27,100

Source: State of California Employment Development Department.

The following table sets forth the annual average employment by industry within the County for the fiscal years 2009 through 2013.

**LOS ANGELES COUNTY
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
(In Thousands)
2009 through 2013**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Farm	6,200	6,200	5,600	5,400	5,500
Non-Farm					
Mining and Logging	4,100	4,100	4,000	4,300	4,600
Construction	117,300	104,500	105,000	109,100	116,500
Manufacturing	389,200	373,200	366,800	367,200	366,500
Trade Transportation & Utilities	742,600	739,900	749,900	766,600	780,700
Retail Trade					
Information	191,200	191,500	191,900	191,400	197,300
Financial Activities	216,000	209,500	208,400	210,700	211,800
Professional & Business Services	529,800	527,500	542,900	570,000	590,300
Educational & Health Services	639,900	637,200	643,100	674,100	713,400
Leisure & Hospitality	385,500	384,800	394,600	415,300	436,700
Other Services	137,900	136,700	136,900	141,600	145,500
Government	<u>595,900</u>	<u>579,600</u>	<u>565,500</u>	<u>556,800</u>	<u>549,200</u>
Total All Industries	<u>3,955,600</u>	<u>3,894,700</u>	<u>3,914,600</u>	<u>4,012,500</u>	<u>4,118,000</u>

⁽¹⁾ Services is a broad category that may incorporate employment in other listed categories.
Totals may not add up due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest employers in the City as of June 30, 2014.

<u>Name of Company</u>	<u>Employees</u>	<u>Percent of Total Employment</u>
------------------------	------------------	--

TOTAL

⁽¹⁾ Includes contract employees. Estimated City Employment provided by Community Development Director.

Source: _____.

APPENDIX H

SUMMARY OF FISCAL AGENT AGREEMENT