DATE: July 18, 2023

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: Resolution Authorizing the Issuance and Sale of Pension Obligation Bond Anticipation Notes

RECOMMENDATION:
It is recommended that the Mayor and Council Members take the following actions:
1. Adopt a resolution (the "Resolution") authorizing the issuance and sale of taxable pension obligation bond anticipation notes; and
2. Approve the form and authorize the execution of a note purchase agreement.

BACKGROUND:
The City is required to provide pension benefits to its employees pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"). This obligates the City to (1) make annual contributions to the California Public Employees' Retirement System (the "System") in order to fund pension benefits for its employees; (2) amortize the unfunded accrued actuarial liability (the "Unfunded Liability") with respect to such pension benefits; and (3) appropriate funds for the purposes described in (1) and (2).

The unfunded liability is the gap between the amount of available funds and the necessary funds to pay City pension benefits already earned by eligible current and former City employees. The unfunded liability is based on assumptions as to retirement age, mortality, projected salary increases, inflation, increases in retirement benefits, cost-of-living adjustments, and a valuation of CalPERS’ current City assets and anticipated investment returns.

The City has the option of paying the unfunded liability from its current budget, financing the unfunded liability over time through a CalPERS financing program, or issuing taxable pension obligation bonds to finance the unfunded liability over time.

In 2005, the City issued its first taxable pension obligation bonds (the "2005 Bonds") because it determined, at that time, that the issuance of taxable bonds would provide the most cost-effective payment alternative for the City to pursue. The 2005 Bonds were issued in three series (the "2005A, B and C Bonds"). Proceeds from the 2005A and B Bonds were used to pay the unfunded liability and proceeds from the 2005C Bonds were used to finance the City’s annual CalPERS contribution for Fiscal Year 2005-2006.
Mayor and Council Members

Resolution Authorizing Issuance of Pension Obligation Bond Anticipation Notes
July 18, 2023

In 2017, the City issued its Taxable Pension Obligation Bonds, Series 2017 (the “2017 Bonds”), to reduce the City’s debt service payments with respect to the 2005 Bonds and to reimburse the City for certain payments made to CalPERS allocable to the City’s 2016-2017 and 2017-2018 fiscal years.

In 2020, the City issued its Taxable Pension Obligation Bonds, Series 2020 (the “2020 Bonds”) after determining that it was in its best interest to reduce its unfunded liability to CalPERS further at a lower borrowing rate.

DISCUSSION:
The Resolution authorizes the issuance and private placement of taxable Pension Obligation Bond Anticipation Notes ("the Notes") and authorizes the execution of a Note Purchase Agreement between the City of Inglewood (the "City") and First Foundation Public Finance (the "Purchaser").

Proceeds from the issuance of the Notes will be used to prepay the City’s annual CalPERS contribution for Fiscal Year 2023-2024 and the additional amount necessary to pay the costs of issuance. The aggregate initial principal amount of the Notes shall not exceed $12,742,000, and the maximum interest rate on the Notes shall not exceed eight percent (8.00%) per annum. The Notes will mature on November 1, 2023, and will be repaid with proceeds from pension obligation bonds that will be issued on or before the date the Notes will mature. The long-term pension obligation bonds will be used not only to repay the short-term note but also to finance the FY2023-2024 normal pension costs. This financing will create general fund cash flow savings of approximately $11,051,882 overall, and will enable the City to do other capital improvement projects immediately and in the next few years.

FINANCIAL/FUNDING ISSUES AND SOURCES:
By issuing short-term bond anticipation notes that will be repaid with the proceeds from long-term pension obligation bonds, the City’s obligation to pay a portion of its current liability to CalPERS with the current budget year General Funds will be reduced and/or eliminated. The general fund cash flow savings generated will allow the City to address other capital improvement projects for the next few years.
DESCRIPTION OF ANY ATTACHMENTS:
Attachment No. 1 – Resolution
Attachment No. 2 – Note Purchase Agreement

PREPARED BY:
Sharon Koike, Assistant Finance Director

COUNCIL PRESENTER:
Sharon Koike, Assistant Finance Director
APPROVAL VERIFICATION SHEET

DEPARTMENT HEAD APPROVAL:  
Sharon Koike, Assistant Finance Director

ACTING ASSISTANT CITY MANAGER APPROVAL:  
Jose D. Cortes, Acting Assistant City Manager

CITY MANAGER APPROVAL:  
Artie Fields, City Manager/Executive Director
ATTACHMENT NO. 1
RESOLUTION NO. ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INGLEWOOD
AUTHORIZING THE ISSUANCE AND SALE OF PENSION OBLIGATION
BOND ANTICIPATION NOTES

WHEREAS, the City Council (the "Council") of the City of Inglewood (the "City"),
adopted a retirement plan pursuant to the Public Employees' Retirement Law,
commencing with section 20000 of the California Government Code, as amended (the
"Retirement Law");

WHEREAS, the Retirement Law obligates the City to (1) make annual
contributions to the California Public Employees' Retirement System (the "System"), to
fund pension benefits for its employees, (2) amortize the unfunded accrued actuarial
liability with respect to such pension benefits, and (3) appropriate funds for the purposes
described in (1) and (2);

WHEREAS, the obligation of the City to pay its unfunded accrued actuarial liability
to the System and its normal annual contribution to the System (collectively, the "Pension
Obligation") is evidenced by a contract or contracts with the System with respect to public
safety employees and miscellaneous employees of the City, as heretofore and hereafter
amended from time to time (collectively, the "CalPERS Contract");

WHEREAS, pursuant to a Trust Agreement, dated as of August 1, 2005 (the
"Original Trust Agreement"), by and between the City and U.S. Bank National Association,
as trustee, now known as U.S. Bank Trust Company, National Association (the "Trustee"),
the City has heretofore issued its City of Inglewood Taxable Pension Obligation Bonds,
2005 Series A (the "2005A Bonds"), its City of Inglewood Taxable Pension Obligation
Capital Appreciation Bonds, 2005 Series B (the "2005B Bonds"), its City of Inglewood
Taxable Pension Obligation Bonds, 2005 Series C (the "2005C Bonds" and, with the
2005A Bonds, the 2005B Bonds, the "2005 Bonds");
WHEREAS, the 2005 Bonds were issued to refinance the City’s statutory obligation to appropriate and make payments to the California Public Employees' Retirement System “CalPERS”) for certain amounts arising as a result of benefits accruing to members of CalPERS who are employees of the City;

WHEREAS, pursuant to the Original Trust Agreement and a First Supplement Trust Agreement, dated as of November 1, 2017, by and between the City and the Trustee, the City issued its City of Inglewood Taxable Pension Obligation Bonds, Series 2017 (the “2017 Bonds”);

WHEREAS, the 2017 Bonds were issued to (a) refund a portion of the 2005 Bonds, (b) reimburse the City for certain payments made to CalPERS allocable to the City’s 2016-17 fiscal year for certain amounts arising as a result of benefits accruing to members of CalPERS who are employees of the City, and (c) reimburse the City for certain payments made to CalPERS allocable to the City's 2017-18 fiscal year for certain amounts arising as a result of benefits accruing to members of CalPERS who are employees of the City;

WHEREAS, pursuant to the Original Trust Agreement and a Second Supplement Trust Agreement, dated as of June 1, 2020, by and between the City and the Trustee, the City issued its City of Inglewood Taxable Pension Obligation Bonds, Series 2020 (the "2020 Bonds" and, with the 2005 Bond and the 2017 Bonds, the “Prior Bonds”);

WHEREAS, the 2020 Bonds were issued to finance a portion of the City's unfunded accrued actuarial liability to the CalPERS for the benefit of the City's employees;

WHEREAS, the City has levied and continues to levy an ad valorem property tax override levied at the rate of 0.146958% of the assessed value of all taxable property within the City (the "Pension Tax Override") to pay for the pension obligations of the City to employees approved by the voters prior to July 1, 1978 (collectively, the "Prior Approved Pension Obligations"), as permitted under Article XIII A, Section 1(b)(1) of the California Constitution;
WHEREAS, the City may determine to pledge the Pension Tax Override to the payment of Prior Approved Pension Obligations;

WHEREAS, the Council wishes at this time to authorize the issuance and sale of its City of Inglewood Pension Obligation Bond Anticipation Notes, Series 2023, in the principal amount of not to exceed $12,742,000 (the “Notes”) for the purpose of providing funds to (a) prepay the unfunded accrued actuarial liability with respect to pension benefits for its employees for fiscal year 2023-24, and (b) pay the costs of issuing the Notes;

WHEREAS, the Notes will be issued in anticipation of the issuance of definitive pension obligation bonds (the “2023 Bonds”) which will be issued to (a) redeem the Notes, (b) fund the City’s normal pension costs for fiscal year 2023-24, and (c) pay the costs of issuing the 2023 Bonds; and

WHEREAS, following the adoption of this Resolution, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Notes as contemplated by this Resolution and the documents referred to herein exist, will have happened and will have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD DOES HEREBY RESOLVE AS FOLLOWS:
ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"2023 Bonds" means any of the authorized but not yet issued Bonds.

"City" means the City of Inglewood, California, a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State.

"City Representative" means the City Manager, the Finance Director, the City Clerk, or any other duly appointed officer of the City authorized by resolution of the Council to act as a representative of the City hereunder.

"Closing Date" means July 25, 2023, being the date upon which there is a physical delivery of the Notes in exchange for the amount representing the purchase price of the Notes by the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance, sale and delivery of the Notes, including but not limited to the costs of preparation and reproduction of documents, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Notes and any other cost, charge or fee in connection with the original issuance of the Notes.

"Council" means the City Council of the City.

"Default Rate" means the rate of 11.00% per annum.

"Event of Default" means any of the events of default as defined in Section 6.01 of this Resolution.
“Federal Securities” means United States Treasury Notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

“Finance Director” means the person acting as the Finance Director of the City.

“Maturity Date” means November 22, 2023.

“Note Purchase Agreement” means the agreement by that name, by and between the Original Purchaser and the City relating to the sale and purchase of the Notes, as amended and supplemented.

“Notes” means the City of Inglewood Pension Obligation Bond Anticipation Notes, Series 2023, authorized by, and at any time Outstanding under, this Resolution.

“Original Purchaser” means First Foundation Public Finance the original purchaser of the Notes upon the sale thereof, and its successors and assigns.

“Owner,” whenever used herein with respect to the Notes, means the person in whose name the ownership of the Notes is registered on the Registration Books.

“Registration Books” means the records maintained by the Finance Director for the registration of ownership of the Notes pursuant to Section 2.07.

“Resolution” means this Resolution, as originally adopted by the Council and including all amendments and supplements hereto which are duly adopted by the Council from time to time in accordance with the provisions of this Resolution.

“State” means the State of California.

“Written Request of the City” means an instrument in writing signed by an City Representative or by any other officer of the City duly authorized to act on behalf of the City pursuant to a written certificate of an City Representative.
Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Resolution; Findings and Determinations. The Council has reviewed all proceedings heretofore taken relative to the authorization of the Notes and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of the Notes do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized under the Constitution and laws of the State, including the provisions of Section 53365.7 of the Act, to issue the Notes in the manner and form provided in this Resolution. Accordingly, the Council hereby authorizes the issuance of the Notes under this Resolution for the purpose of providing funds to pay the Costs of Issuance and to provide funding for costs of the Facilities.

The Council hereby finds and determines that the Notes are consistent with the City’s Debt Management Policy.
ARTICLE II

THE NOTES

Section 2.01. Authorization. The Notes in the principal amount of twelve million seven hundred forty-two thousand dollars ($12,742,000) is hereby authorized to be issued by the City under and subject to the terms of this Resolution, for the purpose of raising money to prepay the unfunded accrued actuarial liability with respect to pension benefits for its employees for fiscal year 2023-24 and to pay the Costs of Issuance. This Resolution constitutes a continuing agreement between the City and the Owner of the Notes issued hereunder to secure the full and final payment of principal of and interest on the Notes, subject to the covenants, agreements, provisions and conditions herein contained. The Notes shall be designated the “City of Inglewood Pension Obligation Bond Anticipation Notes, Series 2023.”

Section 2.02. Terms of Notes.

(a) Form. The Notes shall be issued as a single instrument in fully registered form, without coupons.

(b) Date of Notes. The Notes shall be dated as of the delivery date thereof.

(c) Principal Outstanding. The outstanding principal of the Notes shall be the principal amount of the Notes on the Closing Date, $12,742,000, which has not been repaid at the Maturity Date or earlier date of redemption of the Notes.

(d) Maturity; Interest. The Notes shall mature on the Maturity Date, and the outstanding principal of the Notes shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) to the Maturity Date or date of earlier redemption thereof at the rate of 8.00% per annum. Upon the occurrence and during the continuance of an Event of Default, the Notes shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) to the Maturity Date or date of earlier redemption thereof at the Default Rate.
Interest on the Notes shall be payable on the Maturity Date or date of earlier redemption of the Notes (each, an “Interest Payment Date”) by check or wire transfer of the City on the Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books or to a wire address provided by the Owner to the Finance Director. Principal of the Notes shall be paid on the Maturity Date or upon earlier redemption, but only upon presentation and surrender thereof at the office of the Finance Director. The principal of and interest on the Notes shall be payable in lawful money of the United States of America.

Section 2.03. Redemption.

(a) The Notes are subject to optional redemption on any date at a redemption price equal to the then outstanding principal of the Notes, together with accrued interest thereon to the date of redemption, without premium, from any legally available funds.

(b) The Notes shall be subject to mandatory redemption on the date of issuance of the 2023 Bonds, at a redemption price equal to the then outstanding principal of the Notes, together with accrued interest thereon to the date of redemption, without premium. No notice of any redemption of the Notes need be provided.

From and after the date fixed by the Finance Director for redemption, if funds are available for the payment of the principal of, and interest on, the Notes so called for redemption, the Notes or portion thereof so called for redemption shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified by the Finance Director.

Section 2.04. Form of Notes. The Notes, and the form of the Finance Director’s certificate of authentication and registration thereof shall be substantially in the form with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as set forth in Exhibit A attached hereto.

Section 2.05. Execution of Notes. The Notes shall be signed by the facsimile signature of the Mayor of the City and shall be attested by the facsimile signature of the
City Clerk. The Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Notes is signed by the Finance Director as authenticating agent.

Only Notes as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A attached hereto, executed and dated by the Finance Director, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Finance Director shall be conclusive evidence that the Notes so registered has been duly authenticated, registered and delivered hereunder and is entitled to the benefits of this Resolution.

Section 2.06. **No Transfer or Exchange of Notes.** The Notes are not subject to transfer or exchange.

Section 2.07. **Registration Books.** The Finance Director shall keep or cause to be kept sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City. The registered owner of the Notes shall in any event be the Original Purchaser.
ARTICLE III

SALE OF NOTES; APPLICATION OF PROCEEDS

Section 3.01. Sale of Notes. The Board hereby approves the sale of the Notes to the Original Purchaser pursuant to the Note Purchase Agreement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager or the Assistant City Manager/CFO (each, a "Designated Officer"), and the execution of the Note Purchase Agreement by a Designated Officer shall be conclusive evidence of such approval. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Note Purchase Agreement for and in the name of the City. The Council hereby authorizes the delivery and performance of the Note Purchase Agreement. The Notes shall be sold at par. The purchase price of the Notes, $12,742,000, shall be remitted by the Original Purchaser to the Finance Director on the Closing Date.

Section 3.02. Application of Proceeds of Sale of Notes. On the Closing Date, $80,793.00 shall be applied by the City to the payment of the Costs of Issuance. On or prior to July 31, 2023, $12,661,207.00 shall be remitted to the System to prepay the City’s unfunded accrued actuarial liability with respect to pension benefits for its employees for fiscal year 2023-24.
ARTICLE IV

REPAYMENT OF NOTES

Section 4.01. Source of Repayment; Special Obligations. The Notes shall be a special obligation of the City for the District payable from the proceeds of the 2023 Bonds and from any legally available funds of the City.

Section 4.02. Security; Obligation to Issue Refunding Obligations. The Notes are hereby secured by a first lien on and pledge of the proceeds of the 2023 Bonds, which shall be issued under the circumstances as hereinafter set for the in this Section 4.02.

Not later than October 22, 2023, the City shall authorize the issuance and sale of 2023 Bonds in a principal amount at least sufficient to pay the full expected amount of principal of and interest on the Outstanding Notes that will be coming due and payable on the Maturity Date or date of earlier redemption. The City shall thereafter proceed with due diligence to issue the 2023 Bonds, with such issuance expected to occur by November 22, 2023, but in any event on or prior to the Maturity Date. On the date of issuance of the 2023 Bonds by the City, the Notes shall be subject to mandatory redemption pursuant to Section 2.03, and the City shall pay the then outstanding principal of and interest on the Notes by wire transfer to the Owner of the Notes.

If for any reason the City is not able to issue 2023 Bonds by the Maturity Date, the City agrees to (a) issue a new series of bond anticipation notes in an amount sufficient to repay the Notes on the Maturity Date or (b) provide for the payment of the Notes from legally available funds. The foregoing is the remedy if the 2023 Bonds cannot be sold and issued pursuant to the preceding paragraph.

Section 4.03. Limitation on Liability. The principal of and interest on the Notes shall not constitute a debt of the State or any of its political subdivisions other than the City, or any of the officers, agents or employees thereof, and neither the State nor any of its political subdivisions (other than the City to the limited extent provided in Sections 4.01 and 4.02 hereof) nor any of the officers, agents or employees thereof shall be liable
thereon. In no event shall the principal of and interest on the Notes be payable out of any funds or properties of the City other than the proceeds of the 2023 Bonds.
ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. **Punctual Payment.** The City will punctually pay, or cause to be paid, the principal of and interest on the Notes, in strict conformity with the terms of the Notes and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Notes and the Note Purchase Agreement.

Section 5.02. **Books and Accounts.** The Finance Director will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City in which complete and correct entries shall be made of the amounts advanced by the Original Purchaser in respect of the purchase price of the Notes as described in Section 3.01 hereof, of all transactions relating to the deposit and withdrawal of amounts in the Project Fund, and of all transactions related to the expenditure of the proceeds of the Notes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owner or its representative authorized in writing.

Section 5.03. **Protection of Security and Rights of Notes Owner.** The City will preserve and protect the security of the Notes and the rights of the Owner, and will warrant and defend the Owner’s rights against all claims and demands of all persons. From and after the delivery of the Notes by the City, the Notes shall be incontestable by the City.

Section 5.04. **Further Assurances.** The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owner of the Notes of the rights and benefits provided in this Resolution.
ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The following events ("Events of Default") shall be events of default hereunder:

(a) if default shall be made in the due and punctual payment of the principal of the Notes when and as the same shall become due and payable, whether at maturity as therein expressed or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on the Notes when and as such interest installment shall become due and payable;

(c) if default shall be made by the City in the observance of any of the covenants, agreements or conditions on its part in this Resolution or contained in the Notes, and such default shall have continued for a period of thirty (30) days after written notice thereof to the City; or

(d) if the City shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the City under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

Section 6.02. Remedies of Owner. The Owner shall have the right invoke the Default Rate and:

(a) by mandamus, suit, action or proceeding, to compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Notes, and to require the carrying out of any or all
such covenants and agreements of the City and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Owner's rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its members and employees to account as if it and they were the directors of an express trust.

Section 6.03. Non-Waiver. Nothing in this Article VI or in any other provision of this Resolution, or in the Notes, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and interest on the Notes to the Owner at the date of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owner to institute suit to enforce such payment by virtue of the contract embodied in the Notes.

A waiver of any default by the Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owner by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owner.

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

Section 6.04. Remedies Not Exclusive. No remedy herein conferred upon the Owner shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Owner.
ARTICLE VII

ADMINISTRATIVE PROVISIONS

Section 7.01. Limited Liability of City. Notwithstanding anything contained in this Resolution, the City shall not be required to advance any moneys derived from any source of income other than the 2023 Bond proceeds for the payment of the principal of or interest on the Notes, or for the performance of any covenants herein contained. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose.

The Notes shall be a special obligation of the City, payable exclusively from proceeds of 2023 Bonds. The general fund of the City is not liable, and the credit of the City is not pledged, for the payment of the principal of or interest on the Notes. The Owner of the Notes shall never have the right to compel the forfeiture of any property of the City. The principal of and interest on the Notes shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except the Additional Bond proceeds.

Section 7.02. Benefits Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the City, the Finance Director and the Owner, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Finance Director and the Owner.

Section 7.03. Execution of Documents by Notes Owner. Any request, consent or other instrument required by this Resolution to be signed and executed by the Owner may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by the Owner in person or by its agent duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Resolution and shall be conclusive
in favor of the Finance Director and the City if made in the manner provided in this Section 7.03.

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

The ownership of the Notes shall be proved by the Registration Books.

Section 7.04. Waiver of Personal Liability. No Councilmember or officer, agent or employee of the City shall be individually or personally liable for the payment of the interest on or principal of the Notes; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

Section 7.05. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution on the part of the City to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Notes; but the Owner shall retain all rights and benefits accorded to it under any applicable provisions of law. The City hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase thereof and would have authorized the issuance of the Notes pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.
Section 7.06. Good Faith Estimates. As required by section 5852.1 of the California Government Code, the District hereby provides the following good faith estimates regarding the Notes:

(a) The true interest cost of the Notes: 8.000%

(b) The finance charge of the Notes (the sum of all fees and charges paid to third parties): $80,793.

(c) The amount of proceeds to be received less the sum of all fees and charges paid to third parties, any reserves or capitalized interest: $12,661,207.

(d) The sum total of all payments the District will make to pay debt service on the Notes, calculated to the final maturity of the Bonds: $13,073,292.

The foregoing constitute good faith estimates only.

The principal amount of the Notes, the true interest cost of the Notes, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Notes being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Notes sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Notes being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Notes being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District’s financing plan, or a combination of such factors. The actual date of sale of the Notes and the actual principal amount of Notes sold will be determined based on the timing of the need for proceeds of the Notes and other factors. The actual interest rates with respect to the Notes will depend on market interest rates at the time of sale thereof. The actual amortization of the Notes will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.
Section 7.07. **Governing Law.** This Resolution shall be construed and governed in accordance with the applicable laws of the State.

Section 7.08. **Effective Date.** This Resolution shall take effect upon its adoption.

Section 7.09. **Amendments.** The City may, by resolution, amend or supplement the provisions of this Resolution in any manner that it deems necessary or advisable, so long as the City finds that any such amendment or supplement does not adversely affect the interests of the Owner.

Section 7.10. **Designation of Consultants.** The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the City with respect to the Notes, and the firm Samuel Ramirez & Co., Inc. is hereby designated as Placement Agent to the City with respect to the Notes.

**********

PASSED, APPROVED AND ADOPTED this 18th day of July, 2023.

By ____________________________
Mayor
City of Inglewood

ATTEST:

______________________________
City Clerk
City of Inglewood
I, __________, City Clerk of the City of Inglewood, do hereby certify that the foregoing Resolution was duly passed and adopted by the City Council, at a regular meeting thereof assembled on the 18th day of July, 2023, by the following vote of the Council:

AYES: Councilmember:

NOES: Councilmember:

ABSENT: Councilmember:

ABSTAINED: Councilmember:

By: ___________________________

City Clerk
City of Inglewood
EXHIBIT A
FORM OF NOTES

CITY OF INGLEWOOD
Pension Obligation Bond Anticipation Note, Series 2023

<table>
<thead>
<tr>
<th>RATE OF INTEREST:</th>
<th>MATURITY DATE:</th>
<th>ORIGINAL ISSUE DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.000%*</td>
<td>November 22, 2023</td>
<td>July 25, 2023</td>
</tr>
</tbody>
</table>

REGISTERED OWNER: FIRST FOUNDATION PUBLIC FINANCE, and its successors and assigns

PRINCIPAL AMOUNT: TWELVE MILLION SEVEN HUNDRED FORTY-TWO THOUSAND DOLLARS

The CITY OF INGLEWOOD, a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State of California (the "City"), for value received, hereby promises to pay (but only out of the 2023 Bond proceeds, as such capitalized term is defined in the below-referenced Resolution) to the Registered Owner identified above (the "Registered Owner"), on the Maturity Date identified above, the sum of twelve million seven hundred forty-two thousand dollars ($12,742,000) in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like money from the Original Issue Date identified above to the date of payment of this Notes in full. The principal of this Notes and accrued interest hereon is payable to the Registered Owner hereof upon presentation of this Notes at the office of the Finance Director of the City by wire transfer to an account specified by the Owner on the Maturity Date or date of prior redemption of this Notes.

This Notes have been duly authorized by the City, in the principal amount of twelve million seven hundred forty-two thousand dollars ($12,742,000) and are being issued under and is secured by Resolution No. ___ adopted by the City Council of the City on July 18, 2023 (the "Resolution"). Reference is hereby made to the Resolution for a description of the

*If the Default Rate (as such term is defined in the Resolution) is in effect, interest will be computed by applying such alternate rate.
rights thereunder of the owner of this Note, of the nature and extent of the security for this Note and of the rights and obligations of the City thereunder; and all of the terms of the Resolution are hereby incorporated herein and constitute a contract between the City and the Registered Owner hereof, and to all of the provisions of which Resolution the Registered Owner hereof, by acceptance hereof, assents and agrees.

This Notes is authorized to be issued under the provisions of the Resolution and the Constitution and laws of the State of California, including the Act (as defined in the Resolution). This Notes is a special obligation of the City and, as and to the extent set forth in the Resolution, is payable solely from and secured by a first lien on and pledge of the Additional Bond proceeds as provided in the Resolution. The Additional Bond proceeds constitute a trust fund for the security and payment of the principal of and interest on this Notes. The full faith and credit of the City is not pledged for the payment of the principal of or interest on this Notes. The Notes is not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the City or any of its income or receipts, except the Additional Bond proceeds as provided in the Resolution.

This Notes is subject to optional redemption prior to its stated maturity, on any date, in whole or in part, at a redemption price equal to the principal amount of this Notes to be prepaid, together with accrued interest thereon to the date fixed for redemption, without premium. This Notes is subject to mandatory redemption on the date of issuance of the 2023 Bonds, at a redemption price equal to the then outstanding principal amount of this Notes together with accrued interest to such date, without premium. No notice of any such redemption need be given.

This Notes is issued as a fully registered Notes, and is not transferrable or exchangeable. The City and the Finance Director may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the City and the Finance Director shall not be affected by any notice to the contrary.

The principal of and interest on this Notes do not constitute a debt of the State of California, or any of its political subdivisions other than the City, or any of the officers, agents or employees thereof, and neither the State of California, any of its political subdivisions
(other than the City to the limited extent set forth in the Resolution) nor any of the officers, agents or employees thereof shall be liable hereon. In no event shall the principal of and interest on this Notes be payable out of any funds or properties of the City other than the proceeds of the 2023 Bonds.

The Resolution and the rights and obligations of the City and of the owner of this Notes may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Resolution.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Notes 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, and that the amount of this Notes, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California.

This Notes shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been manually signed by the Finance Director of the City.

IN WITNESS WHEREOF, the City has caused this Notes to be executed in its name and on its behalf by the facsimile signatures of its Mayor and City Clerk all as of the Original Issue Date identified above.

CITY OF INGLEWOOD

By ____________________________
Mayor

Attest:

______________________________
City Clerk
FORM OF CERTIFICATE OF AUTHENTICATION

This is the Notes described in the within-mentioned Resolution and registered on the Registration Books of the Finance Director of the City of Inglewood.

Date: _________________

CITY OF INGLEWOOD

By: ________________________

Finance Director
ATTACHMENT NO. 2
$12,742,000
CITY OF INGLEWOOD
Pension Obligation Note Anticipation Notes, Series 2023

NOTE PURCHASE AGREEMENT

July 12, 2023

City of Inglewood
One Manchester Boulevard
Inglewood, CA

Ladies and Gentlemen:

First Foundation Public Finance (the “Purchaser”), offers to enter into this Note Purchase Agreement (the “Note Purchase Agreement”) with the City of Inglewood (the “City”) which, upon your acceptance hereof, will be binding upon the City and the Purchaser. This offer is made subject to the written acceptance of this Note Purchase Agreement by the City and delivery of such acceptance to the Purchaser at or prior to 11:59 P.M., Pacific Daylight time, on the date hereof.

1. Purchase and Sale of the Notes. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Purchaser hereby agrees to purchase from the City, and the City hereby agrees to sell to the Purchaser for such purpose, all (but not less than all) of $12,742,000 in aggregate principal amount of the City’s Pension Obligation Bond Anticipation Notes (the “Notes”). The purchase price for the Notes shall be $12,742,000.00 (being equal to the aggregate principal amount of the Notes). Such amount will be remitted by the Purchaser to the City on the Closing Date (hereinafter defined).

   The City acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Note Purchase Agreement is an arm’s-length commercial loan transaction between the City and the Purchaser; (ii) in connection with such loan transaction, including the process leading thereto, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the City; (iii) the Purchaser has neither assumed an advisory or fiduciary responsibility in favor of the City with respect to the issuance of the Notes or the process leading thereto nor has it assumed any other obligation to the City except the obligations expressly set forth in this Note Purchase Agreement; (iv) the Purchaser has financial and other interests that differ from those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the issuance of the Notes.

2. The Notes. Except as hereinafter described, the Notes shall be as described in, and shall be issued and secured pursuant to the provisions of the resolution of the City Council adopted on July 18, 2023 (the “Resolution”). The Notes shall be issued, authenticated and delivered under and in accordance with the provisions of this Note Purchase Agreement and the Resolution.
The Notes are being issued for the purpose of providing funds to (a) prepay the unfunded accrued actuarial liability with respect to pension benefits for its employees for fiscal year 2023-24, and (b) pay the costs of issuing the Notes;

The Notes are being issued in anticipation of the issuance of definitive pension obligation bonds (the “2023 Bonds”) which will be issued to (a) redeem the Notes, (b) fund the City’s normal pension costs for fiscal year 2023-24, and (c) pay the costs of issuing the 2023 Bonds.

The Notes will be dated the date of delivery and accrue interest from such date, payable at maturity on November 22, 2023, or upon the prior redemption thereof. The Notes will bear interest and be subject to redemption on the terms and conditions, as shown on Appendix A hereto, which is incorporated herein by this reference. The Notes will be issued as one fully registered note, without coupons.

3. Private Placement; Notes Constitute Investment of Purchaser.

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Notes to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

(b) The Purchaser is acquiring the Notes for its own account and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Notes or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the Notes provided, however, such representation shall not preclude the Purchaser from transferring or selling of the Notes in accordance with the provisions of the Resolution. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the Notes.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the City and the Notes and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the City set forth in the Resolution and this Note Purchase Agreement and in the information set forth in any materials submitted to the Purchaser by the City. The City has furnished to the Purchaser all the information which the Purchaser, as a reasonable lender has requested of the City as a result of the Purchaser having attached significance thereto in making its investment decision with respect to the Notes and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Notes. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Notes.

(d) The Purchaser understands that the Notes have not been registered under the United States Securities Act of 1933 (the “Securities Act”) or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Notes by it, and further acknowledges that any current exemption from registration of the Notes does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the Notes and to execute this Note Purchase Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Notes. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the
representations and warranties contained herein by execution of this Note Purchase Agreement on behalf of the Purchaser.

(f) The Purchaser has been informed that the Notes (i) have not been and will not be registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(g) The Purchaser acknowledges that the Notes are transferable with certain requirements, as described in the Resolution.

(h) The Purchaser acknowledges that the Notes are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the City has not undertaken to provide any continuing disclosure with respect to the Notes but that the City has agreed to provide other ongoing information to the Purchaser as the Purchaser may reasonably request.

4. Closing. At 8:00 A.M., Pacific Daylight time, on July 25, 2023, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the “Closing”), the City will deliver to the Purchaser, the Notes in fully registered form, duly executed and registered in the name of Purchaser, and in Larkspur, California, the other documents hereinafter mentioned; and the Purchaser will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the City.

5. Representations, Warranties and Agreements of the City. The City hereby represents, warrants and agrees with the Purchaser that:

(a) Due Organization. The City is a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State of California, with the power to issue the Notes in anticipation of the issuance of the 2023 Bonds;

(b) Due Authorization. (i) At or prior to the Closing, the City will have taken all action required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the City has full legal right, power and authority to enter into this Note Purchase Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Note Purchase Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the City of the obligations contained in the Notes, the Resolution, and this Note Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Note Purchase Agreement constitutes the valid and legally binding obligation of the City; and (v) the City has duly authorized the consummation by it of all transactions contemplated by this Note Purchase Agreement. The City will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Resolution or this Note Purchase Agreement without the prior written consent of the Purchaser prior to the date of the Closing;

(c) Consents. Other than the adoption of the Resolution, no consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Notes or the consummation of the other transactions effected or contemplated herein or hereby;

(d) No Conflicts. To the best knowledge of the City, the issuance of the Notes, and the execution, delivery and performance of this Note Purchase Agreement, the Resolution and the Notes, and the compliance with the provisions hereof do not conflict with or constitute on the part of the City a violation of or default under, the Constitution of the State of California or any
existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the City is a party or by which it is bound or to which it is subject;

(e) Litigation. As of the time of acceptance hereof, based on the advice of counsel to the City, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the City, threatened against the City: (i) in any way affecting the existence of the City or in any way challenging the respective powers of the several offices or of the titles of the officials of the City to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the issuance of the 2023 Bonds, or in any way contesting or affecting the validity or enforceability of the Notes, this Note Purchase Agreement or the Resolution or contesting the powers of the City or its authority with respect to the Notes, the Resolution or this Note Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the City or the consummation of the transactions contemplated by this Note Purchase Agreement or the Resolution, (b) declare this Note Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exemption of such interest from California personal income taxation;

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Purchaser, the City will not have issued any bonds, notes or certificates of participation;

(g) Certificates. Any certificates signed by any officer of the City and delivered to the Purchaser shall be deemed a representation by the City to the Purchaser, but not by the person signing the same, as to the statements made therein; and

(h) Issuance of the 2023 Bonds. The City hereby agrees to take any and all actions as may be required or otherwise necessary in order to arrange for the issuance of the 2023 Bonds prior to the maturity date of the Notes.

(i) Financial Statements. The financial statements of the City provided to the Purchaser fairly present the financial position of the City as of the dates indicated and the results of its operations for the periods specified. Since September 30, 2022, there has been no material adverse change in the financial condition of the City.

(j) Application of Proceeds. The City will apply the proceeds from the sale of the Notes for the purposes specified in the Resolution.

7. Conditions to Closing. The Purchaser has entered into this Note Purchase Agreement in reliance upon the representations and warranties of the City contained herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Purchaser’s obligations under this Note Purchase Agreement are and shall be subject at the option of the Purchaser, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the City contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Purchaser at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the City shall be in compliance with each of the agreements made by it in this Note Purchase Agreement;
(b) Obligations Performed. At the time of the Closing, (i) this Note Purchase Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser; (ii) all actions under the Act which, in the opinion of Quint & Thimmig LLP ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (iii) the City shall perform or have performed all of their obligations required under or specified in the Resolution or this Note Purchase Agreement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Note Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the City, pending or threatened which has any of the effects described in Section 5(f) hereof;

(d) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of the following documents, in each case dated as of the date of the Closing and satisfactory in form and substance to the Purchaser:

(1) Note Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Notes, dated the date of the Closing, addressed to the City;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Purchaser can rely upon the approving opinion described in (d)(1) above;

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

(i) this Note Purchase Agreement has been duly executed and delivered by the City and, assuming due authorization, execution and delivery by and validity against the Purchaser, is a valid and binding agreement of the City, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases; and

(ii) the Notes are not subject to the registration requirements of the Securities Act and the Resolution is exempt from qualification under the Trust Indenture Act;

(4) Opinion of Counsel to the City. An opinion of counsel to the City dated the Closing Date and addressed to the Purchaser, to the effect that:

(i) the City is a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State;

(ii) the City has full legal power and lawful authority to enter into this Note Purchase Agreement;

(iii) the Resolution has been duly adopted at a meeting of the City Council of the City, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the Resolution is in full force and effect and has not been modified, amended or rescinded;
(iv) this Note Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties hereto, constitutes the valid, legal and binding agreement of the City enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles;

(v) neither the execution and delivery by the City of this Note Purchase Agreement and of the Notes nor the consummation of the transactions on the part of the City contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the City a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or the members of the City or any of its officers in their respective capacities as such) is subject; and

(vi) except as otherwise disclosed to the Purchaser, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the City or, to our knowledge, threatened against the City, challenging the creation, organization or existence of the City, or the validity of this Note Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the City to enter into or perform its obligations under this Note Purchase Agreement, or which, in any manner, questions the right of the City to enter into, and perform under, this Note Purchase Agreement;

(5) Certificates. Certificates signed by appropriate officials of the City to the effect that (i) such officials are authorized to execute this Note Purchase Agreement, (ii) the representations, agreements and warranties of the City herein are true and correct in all material respects as of the date of Closing, (iii) the City has complied with all the terms of the Resolution and this Note Purchase Agreement, which are necessary to be complied with prior to or concurrently with the Closing and such documents are in full force and effect, and (iv) the Notes being delivered on the date of the Closing to the Purchaser under this Note Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution;

(6) Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary of the City Board of Directors to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(7) Purchaser's Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Notes and the payment of the purchase price thereof, the Purchaser will provide (or cause to be provided) to the City, the receipt of the Purchaser,
in form satisfactory to the City and signed by an authorized officer of the Purchaser, confirming delivery of the Notes to the Purchaser, receipt of all documents required by the Purchaser, and the satisfaction of all conditions and terms of this Purchase Agreement by the City and confirming to the City that as of the date of the Closing all of the representations of the Purchaser contained in this Purchase Agreement are true, complete and correct in all material respects; and

(8) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser may reasonably request to evidence compliance (i) by the City with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the City herein contained, and (iii) the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

(e) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Notes shall not have been delivered by the City to the Purchaser prior to the close of business, Pacific Daylight time, on July 25, 2023, then the obligation to purchase the Notes hereunder shall terminate and be of no further force or effect except with respect to the obligations of the City and the Purchaser under Section 9 hereof.

If the City shall be unable to satisfy the conditions to the Purchaser's obligations contained in this Note Purchase Agreement or if the Purchaser's obligations shall be terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement may be canceled by the Purchaser at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the City in writing, or by telephone or telegram, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in writing at its sole discretion.

8. Indemnification. To the extent permitted by law, the City agrees to indemnify and hold harmless the Purchaser and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) the Purchaser and the officers, agents, attorneys, members and employees of the Purchaser against any and all judgments, losses, claims, damages, liabilities and expenses arising out of any representation, warranty or statement made by the City herein that is or is alleged to be untrue or incorrect in any material respect.

9. Conditions to Obligations of the City. The performance by the City of its obligations is conditioned upon (i) the performance by the Purchaser of its obligations hereunder; and (ii) receipt by the City and the Purchaser of opinions and certificates being delivered at the Closing by persons and entities other than the City.

10. Costs and Expenses. The City will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Note Purchase Agreement, including, but not limited to, mailing or delivery of the Notes, costs of printing the Notes, the fees and disbursements of the Trustee, the Placement Agent, its financial advisor, Bond Counsel and counsel to the City, the fees and expenses of the City's accountants and fiscal consultants, fees of counsel to the Purchaser and the reporting fee to the California Debt and Investment Advisory Commission. In the event this Note Purchase Agreement shall terminate because of the default of the Purchaser, the City will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Purchaser shall pay all expenses incurred by it in connection with its purchase of the Notes.
11. Notices. Any notice or other communication to be given under this Note Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the City, to the City of Inglewood, One Manchester Boulevard, Inglewood, CA 90301, Attention: Assistant Finance Director.

12. Parties in Interest; Survival of Representations and Warranties. This Note Purchase Agreement when accepted by the City in writing as heretofore specified shall constitute the entire agreement between the City and the Purchaser. This Note Purchase Agreement is made solely for the benefit of the City and the Purchaser (including the successors or assigns of the Purchaser). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Note Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Purchaser, (b) delivery of and payment by the Purchaser for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

13. Execution in Counterparts. This Note Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

14. Applicable Law. This Note Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

FIRST FOUNDATION PUBLIC FINANCE,
as Purchaser

By ____________________________
Authorized Signatory

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

CITY OF INGLEWOOD

By ____________________________
Name ____________________________
Title ____________________________

[City of Inglewood Pension Obligation Bond Anticipation Notes, Series 2023]]
APPENDIX A

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

$12,742,000
CITY OF INGLEWOOD
Pension Obligation Note Anticipation Notes, Series 2023

MATURITY SCHEDULE

<table>
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<th>Maturity Date (November 22)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
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<tbody>
<tr>
<td>2023</td>
<td>$12,742,000</td>
<td>8.000%*</td>
</tr>
</tbody>
</table>

REDEMPTION PROVISIONS

The Notes shall be subject to optional redemption on any date at a redemption price equal to the then outstanding principal of the Notes, together with accrued interest thereon to the date of redemption, without premium, from any legally available funds.

The Notes shall be subject to mandatory prepayment on the date of issuance of the 2023 Bonds, at a redemption price equal to the then outstanding principal of the Notes, together with accrued interest thereon to the date of redemption, without premium. No notice of any redemption of the Notes need be provided.

From and after the date fixed by the Treasurer for redemption, if funds are available for the payment of the principal of, and interest on, the Notes so called for redemption, the Notes or portion thereof so called for redemption shall cease to be entitled to any benefit under the Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified by the Treasurer.

*If the Default Rate (as such term is defined in the Resolution) is in effect, interest will be computed by applying such alternate rate.