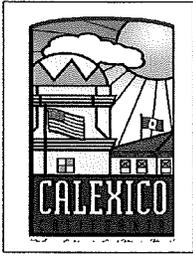


**AGENDA
ITEM**

11



AGENDA STAFF REPORT (Successor Agency)

DATE: June 20, 2018

TO: Mayor and City Council/Chairperson and Board of Directors

PREPARED BY: David Dale, City Manager/Executive Director *DD*

SUBJECT: Approval of a Resolution and Corresponding Actions of the Successor Agency to the Community Redevelopment Agency of the City of Calexico (the "Successor Agency") Regarding the Issuance of One or More Series of its Subordinate Tax Allocation Refunding Bonds (the "Bonds") on a Tax-Exempt and/or Taxable Basis to Provide for the Refinancing of the Following Tax Allocation Bonds (collectively, the "Refunded Bonds")

=====

Recommendation:

It is recommended that the Successor Agency adopt the attached Resolution: A Resolution of the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Calexico Authorizing the Issuance of Subordinate Tax Allocation Refunding Bonds and Approving an Indenture and Authorizing Certain Actions Relating Thereto.

Background:

Community Redevelopment Agency of the City of Calexico (the "Predecessor Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Health and Safety Code"), and the powers of the Predecessor Agency included the power to issue bonds and enter into obligations for any of its corporate purposes.

The Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California (the "City") was adopted and approved by Ordinance No. 826 of the City on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project



were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005.

On June 28, 2011, the California Legislature adopted ABx1 26 to, among other things, dissolve existing redevelopment agencies, including the Predecessor Agency. In accordance with the legislation, the Predecessor Agency was dissolved on February 1, 2012.

The Successor Agency now desires to achieve debt service savings and to assist local taxing entities by refunding all of the outstanding Refunded Bonds with the proceeds of one or more series of refunding bonds (the "Bonds").

Discussion & Analysis:

The interest rate market continues to be favorable and would allow the Successor Agency to issue its Bonds in one or more series to refund the Refunded Bonds. Based on an analysis by Kosmont Transactions Services (KTS), as Municipal Advisor, staff believes it is appropriate and beneficial to take advantage of the favorable market rates at this time.

The Successor Agency Resolution would approve issuance of the Bonds and the form of an Indenture. The Indenture is the document that provides the covenants and conditions for the Bonds and the duties of the trustee to the owners of the Bonds. It supplies the federal tax covenants to assure tax exemption of interest, as applicable, and, after the Bonds are priced, will contain the final maturities and interest rates for the Bonds.

Fiscal Impact:

The City will realize increased property tax revenue by sharing in a percentage of the savings to the Successor Agency's debt service in an amount that corresponds to the City's share of the 1% general tax levy (approximately 25%). Current estimates indicate potential savings to the City of approximately \$100,000 per year initially with gradual increases until 2031 when savings should top \$500,000. Overall gross savings are projected to be approximately \$12.9 million with the City's share equating to approximately \$3.2 million over the remaining life of the Bonds.

Coordinated With:

Finance Department.

Attachment(s):

1. A Resolution of the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Calexico Authorizing the Issuance of Subordinate Tax Allocation Refunding Bonds and Approving an Indenture and Authorizing Certain Actions Relating Thereto.
2. Refunding Analysis by KTS.
3. Form of Escrow Agreement between the Successor Agency to the Community Redevelopment Agency of the City of Calexico and The Bank of New York Mellon Trust Company, N.A., as Trustee And Escrow Agent.
4. Indenture of Trust by and between the Successor Agency to the Community Redevelopment Agency of the City of Calexico and the Bank of New York Mellon Trust Company, N. A.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO AUTHORIZING THE ISSUANCE OF SUBORDINATE TAX ALLOCATION REFUNDING BONDS AND APPROVING AN INDENTURE AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO

WHEREAS, the Community Redevelopment Agency of the City of Calexico (the "Predecessor Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Health and Safety Code"), and the powers of the Predecessor Agency included the power to issue bonds and enter into obligations for any of its corporate purposes;

WHEREAS, the Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California (the "City") was adopted and approved by Ordinance No. 826 of the City on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005;

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2000 (the "2000 Bonds");

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2006 (the "2006 Bonds");

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2011 (the "2011 Bonds" and, collectively with the 2000 Bonds and the 2006 Bonds, the "Prior Bonds");

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 to, *inter alia*, dissolve existing redevelopment agencies, including the Predecessor Agency;

WHEREAS, the California Supreme Court substantially upheld the provisions of ABx1 26 on December 29, 2011, resulting in the dissolution of the Predecessor Agency on February 1, 2012;

WHEREAS, under the provisions of ABx1 26, the City became the successor agency to the Predecessor Agency (the "Successor Agency") for the purpose of paying certain enforceable obligations, including the Prior Bonds, and winding up the affairs of the Predecessor Agency pursuant to ABx1 26;

WHEREAS, on June 27, 2012, AB 1484 was adopted and specifically authorizes the issuance of refunding bonds by the Successor Agency under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and provides in Section 34177.5(a)(1) of the Health and Safety Code that "[t]he successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding and enforceable in accordance with its terms";

WHEREAS, AB 1484 specifically provides in Section 34177.5(g) of the Health and Safety Code that "[a]ny bonds . . . authorized by [Section 34177.5] shall be considered indebtedness incurred by the dissolved redevelopment agency, *with the same legal effect as if the bonds . . . had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date . . .*" (emphasis added);

WHEREAS, the Successor Agency desires to achieve debt service savings and therefor assist the local taxing entities by refunding all or a portion of the Prior Bonds with the proceeds of its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018A (the "2018A Bonds") and its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the "2018B Bonds" and, together with the 2018A Bonds, the "Bonds") through a public sale;

WHEREAS, the issuance of the Bonds will comply with the provisions of Section 34177.5(a)(1) of the Health and Safety Code;

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

NOW THEREFORE, the Board resolves, determines and orders as follows:

Section 1. Findings. The Board of Directors of the Successor Agency (the "Board") hereby finds and determines that the recitals hereto are true and correct.

Section 2. Indenture. To prescribe the terms and conditions upon which the Bonds are to be issued, secured, executed, authenticated and held, an Indenture is proposed to be executed and delivered by the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), in substantially the form on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any of the Executive Director of the Successor Agency, the Chair of the Successor Agency or their respective designees (each an "Authorized Representative") is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute, and the Secretary is authorized to attest and deliver the Indenture to the Trustee in substantially such forms, with such changes (including, without limitation, changes relating to the issuance of a municipal bond insurance policy and/or a surety bond for a debt service reserve fund, or such changes as may be requested by a rating agency providing a rating on the Bonds) as may be approved by any Authorized Representative, acting on behalf of the Successor Agency, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Indenture presented to this meeting; provided that the total interest cost to maturity on the 2018A Bonds shall not exceed 4.50% and the total interest cost to maturity on the 2018B Bonds shall not exceed 5.75%.

Section 3. Refunding and Payment Approved. The Board hereby approves the issuance and delivery of the 2018A Bonds in an aggregate principal amount not to exceed \$11,000,000 and the 2018B Bonds in an aggregate principal amount not to exceed \$2,250,000. The refunding of all or a portion of the Prior Bonds is hereby authorized and approved. Any Authorized Representative is hereby authorized on behalf of the Successor Agency to purchase federal securities acceptable to Bond Counsel and authorized for the Prior Bonds, including non-callable State and Local Government Series obligations of the United States of America issued by the Bureau of Public Debt and/or certain direct obligations of the United States of America purchased on the open market, in such amounts, maturing at such times and bearing such rates of interest as shall be necessary to pay when due all or a portion of the Prior Bonds as provided in an escrow agreement or escrow instruction delivered in connection with the refunding, and to take such other action he or she may deem necessary or appropriate to effectuate the purchase of such obligations.

Section 4. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board of the Successor Agency (the "Oversight Board") make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance, sale and delivery of the Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Bonds from the proceeds of the Bonds, including the cost of reimbursing the City of Calexico for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Bonds;

(b) The application of proceeds of the Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as to the payment by the Successor Agency of all costs of issuance of the Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, and, notwithstanding Section 34177.3 or any other provision of law to the contrary, no further approval of the Oversight Board, the California Department of Finance, the County Auditor-Controller or any other person or entity other than the Successor Agency shall be required;

(c) The Successor Agency shall be entitled to receive its full "Administrative Cost Allowance" as defined and described under Section 34171(b) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 5. Good Faith Estimates. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 6. Approval of Certain Financing Team Members. The Successor Agency hereby approves the appointment of (a) Norton Rose Fulbright US LLP, to provide Bond Counsel services in connection with the Bonds, (b) Nixon Peabody, LLP to provide Disclosure Counsel services in connection with the Bonds, (c) Kosmont Realty Corp., doing business as Kosmont Transactions Services, to provide services as Municipal Advisor and Redevelopment Fiscal Consultant in connection with the Bonds and (d) The Bank of New York Mellon Trust Company, N.A., as Trustee in connection with the Bonds.

Section 7. General Authorization. Each Authorized Representative and any other officer of the Successor Agency is hereby authorized to execute and deliver any and all agreements (including, but not limited to, investment agreements, bond insurance, reserve fund surety policies, escrow agreements, escrow instructions, or guaranteed investment agreements), documents, certificates and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution. Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 20th day of June 2018, by the following vote:

AYES:

NOES:

ABSENT:

Chair

Attest:

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

2018A Bonds

The following information was obtained from Kosmont Transactions Services, as municipal advisor (the "Municipal Advisor") with respect to the Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area, Subordinate Tax Allocation Refunding Bonds, Issue of 2018A (the "2018A Bonds") approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the 2018A Bonds:

1. *True Interest Cost of the 2018A Bonds.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 2018A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2018A Bonds, is 3.3207%

2. *Finance Charge of the 2018A Bonds.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the 2018A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2018A Bonds), is, as follows:

Payee Name	Purpose of Cost Item	Estimated Amount
Norton Rose Fulbright	Bond Counsel	\$41,520.19
Nixon Peabody	Disclosure Counsel	33,216.15
Best Best & Kreiger	Successor Agency Counsel	8,304.04
Kosmont Transactions Services	Municipal Advisor & Fiscal Consultant's Report	41,520.19
City of Calexico	SA Administrative Expense Reimbursement	24,912.11
Standard & Poor's Ratings Services	Credit Rating Fees	21,275.02
BNY Mellon	Trustee/Escrow Agent	4,152.02
TBD	Verification Agent	4,152.02
TBD	Printing	4,152.02
n/a	Misc./Contingency	\$29,137.35
TBD	Bond Insurance Premiums	\$178,767.47
Underwriter's Discount	Stifel, Nicolaus & Company, Inc.	87,400.00
Total		\$ 477,993.66

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2018A Bonds less the finance charge of the 2018A Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the 2018A Bonds, is \$9,723,176.84

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2018A Bonds plus the finance charge of the 2018A Bonds described in paragraph 2 above not paid with the proceeds of the 2018A Bonds, calculated to the final maturity of the 2018A Bonds, is \$12,945,750.00

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of 2018A Bonds sales, the amount of 2018A Bonds sold, the amortization of the 2018A Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2018A Bonds sold will be determined by the Successor Agency based on need for escrow funds and other factors. The actual interest rates at which the 2018A Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2018A Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Successor Agency's control. The Successor Agency has approved the issuance of the 2018A Bonds with a maximum true interest cost of 4.50%.

2018B Bonds

The following information was obtained from the Municipal Advisor with respect to the Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area, Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the "2018B Bonds") approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the 2018B Bonds:

1. *True Interest Cost of the 2018B Bonds.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 2018B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2018B Bonds, is 4.6202%.

2. *Finance Charge of the 2018B Bonds.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the 2018B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2018B Bonds), is as follows:

Payee Name	Purpose of Cost Item	Estimated Amount
Norton Rose Fulbright	Bond Counsel	\$8,479.81
Nixon Peabody	Disclosure Counsel	6,783.85
Best Best & Kreiger	Successor Agency Counsel	1,695.96
Kosmont Transactions Services	Municipal Advisor & Fiscal Consultant's Report	8,479.81
City of Calexico	SA Administrative Expense Reimbursement	5,087.89
Standard & Poor's Ratings Services	Credit Rating Fees	21,275.02
BNY Mellon	Trustee/Escrow Agent	847.98
TBD	Verification Agent	847.98
TBD	Printing	847.98
n/a	Misc./Contingency	2,356.61
TBD	Bond Insurance Premiums	36,510.27
Underwriter's Discount		17,850.00
Total		\$ 94,028.04

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2018B Bonds less the finance charge of the 2018B Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the 2018B Bonds, is \$1,690,971.96.

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2018B Bonds plus the finance charge of the 2018B Bonds described in paragraph 2 above not paid

with the proceeds of the 2018B Bonds, calculated to the final maturity of the 2018B Bonds, is \$2,746,555.50

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of 2018B Bonds sales, the amount of 2018B Bonds sold, the amortization of the 2018B Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2018B Bonds sold will be determined by the Successor Agency based on need for escrow funds and other factors. The actual interest rates at which the 2018B Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2018B Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Successor Agency's control. The Successor Agency has approved the issuance of the 2018B Bonds with a maximum true interest cost of 5.75%.

Successor Agency to the Community Redevelopment Agency of the City of Calexico
2018 Tax Allocation Refunding Bonds
Preliminary Refunding Analysis

Refunding of 2000, 2006 and 2011 Tax Allocation Bonds

Bond Year Ending	Current Debt Service				Total	Estimated Debt Service 2018 TAB	Estimated Savings	Calexico General Fund Share @ 27.66%
	2000 TABs	2006 TABs	2011 TABs	2018 TABs				
8/1/2019	68,537.50	661,340.00	516,200.00	516,200.00	1,246,077.50	537,256.00	708,821.50	196,060.03
8/1/2020	52,681.26	460,560.00	516,200.00	516,200.00	1,029,441.26	536,546.00	492,895.26	136,334.83
8/1/2021	51,337.50	458,360.00	516,200.00	516,200.00	1,025,897.50	535,773.50	490,124.00	135,568.30
8/1/2022	49,993.76	461,160.00	516,200.00	516,200.00	1,027,353.76	534,968.50	492,385.26	136,193.76
8/1/2023	48,650.00	458,760.00	516,200.00	516,200.00	1,023,610.00	534,128.50	489,481.50	135,390.58
8/1/2024	47,306.26	461,285.00	516,200.00	516,200.00	1,024,791.26	538,251.00	486,540.26	134,577.04
8/1/2025	410,962.50	1,433,603.76	516,200.00	516,200.00	2,360,766.26	1,832,168.00	528,598.26	146,210.28
8/1/2026		1,845,703.76	516,200.00	516,200.00	2,361,903.76	1,836,305.00	525,598.76	145,380.62
8/1/2027		1,849,035.00	516,200.00	516,200.00	2,365,235.00	1,836,912.00	528,323.00	146,134.14
8/1/2028		1,843,515.00	516,200.00	516,200.00	2,359,715.00	1,828,989.00	530,726.00	146,798.81
8/1/2029		1,845,475.00	716,200.00	716,200.00	2,561,675.00	1,832,835.50	728,839.50	201,597.01
8/1/2030		1,844,425.00	721,700.00	721,700.00	2,566,125.00	1,833,003.00	733,122.00	202,781.55
8/1/2031			2,565,750.00	2,565,750.00	2,565,750.00	494,095.50	2,071,654.50	573,019.63
8/1/2032			2,564,950.00	2,564,950.00	2,564,950.00	490,347.00	2,074,603.00	573,835.19
8/1/2033			2,563,275.00	2,563,275.00	2,563,275.00	490,727.00	2,072,548.00	573,266.78
	729,468.78	13,623,222.52	14,293,875.00	14,293,875.00	28,646,566.30	15,692,305.50	12,954,260.80	3,583,148.54

FORM OF
ESCROW AGREEMENT

between

THE SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee and Escrow Agent

Dated as of ____ 1, 2018

Relating to

Community Redevelopment Agency of the City of Calexico
Merged Central Business District and Residential
Redevelopment Project Area
Tax Allocation Bonds, Issue of ____

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ESCROW AGREEMENT

This Escrow Agreement, dated as of _____ 1, 2018 (this "Escrow Agreement"), is entered into by the Successor Agency to the Community Redevelopment Agency of the City of Calexico, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee") and as escrow agent (the "Escrow Agent").

WITNESSETH:

WHEREAS, the Community Redevelopment Agency of the City of Calexico (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, pursuant to an Indenture of Trust, dated as of February 1, 2011 (the "Indenture"), by and between the Prior Agency and Trustee, the Prior Agency has previously issued its \$_____ aggregate principal amount of Community Redevelopment Agency of the City of Calexico, Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of ___, of which \$_____ in aggregate principal amount is currently outstanding (the "Refunded Bonds"); and

WHEREAS, the Successor Agency has determined to defease and refund all of the Refunded Bonds and is issuing \$_____ aggregate principal amount of Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the "Refunding Bonds") pursuant to an Indenture of Trust, dated as of ___, 2018, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., for the purpose of providing funds to refund and defease the Refunded Bonds;

WHEREAS, such proceeds, together with \$_____ on deposit under the Indenture relating to the Refunded Bonds, which shall be transferred to the Escrow Fund created hereunder, shall be in such amount as is necessary, together with interest earnings thereon, to insure the full and timely payment of the Refunding Requirements (as hereinafter defined);

NOW, THEREFORE, in consideration of the mutual agreements herein contained, in order to secure the payment of the Refunding Requirements as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

Section 1. Definitions. As used in this Escrow Agreement the following terms have the following meanings:

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., or any successor thereto appointed under this Escrow Agreement.

Escrow Fund means the fund by that name created pursuant to Section 2 hereof.

Escrow Securities means securities of the type meeting the requirements for defeasance specified in the Indenture.

Escrowed Securities means those certain Escrow Securities described in Exhibit A to this Escrow Agreement.

Executive Director means the officer who is then performing the functions of Executive Director of the Successor Agency.

Refunding Requirements means all installments of principal of and interest on the Refunding Bonds, commencing on the date hereof and concluding when all the Refunded Bonds will be redeemed, as such payments become due, as set forth in Exhibit B to this Escrow Agreement.

Trustee means The Bank of New York Mellon Trust Company, N.A., or any successor thereto.

Verification Report means the verification report, dated the date hereof, prepared by the Verification Agent.

Verification Agent means _____.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Indenture.

Section 2. Creation and Purpose of Escrow Fund.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow Fund (the "Escrow Fund"). The Escrow Agent shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in trust for the purposes described herein. All Escrowed Securities and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 3 and Section 7 hereof, to secure the payment of the Refunded Bonds.

(b) On the date of issuance of the Refunding Bonds, the Escrow Agent shall deposit \$ _____ into the Escrow Fund consisting of: (i) \$ _____ received from the proceeds of the Refunding Bonds; and (ii) \$ _____ transferred from moneys currently on deposit under the Indenture relating to the Refunded Bonds; such amount to be held in the Escrow Fund and paid out as provided in this Escrow Agreement and in the Indenture. Such moneys shall be sufficient to provide for the purchase of the Escrowed Securities identified in Exhibit A to this Escrow Agreement and to make the cash deposit to the Escrow Fund identified in Exhibit A and shall be used by the Escrow Agent to purchase the Escrowed Securities identified in Exhibit A to this Escrow Agreement and to make such cash deposit on the date of issuance of the Refunding

Bonds. The principal of and interest on the Escrowed Securities and any uninvested cash held hereunder shall be applied by the Escrow Agent to the payment of the Refunding Requirements applicable to the Refunded Bonds.

(c) As verified by the Verification Report, the Escrowed Securities are such that, if interest thereon and principal thereof are paid when due, the proceeds from the collection of such interest and principal, together with any uninvested cash held hereunder, will be sufficient to meet the Refunding Requirements applicable to the Refunded Bonds. The Escrow Agent may rely upon the conclusion of the Verification Agent that the Escrowed Securities listed in Exhibit A will mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be necessary and sufficient to pay when due the principal of, and interest on, the Refunded Bonds to their dates of redemption.

(d) The Escrow Agent shall hold all Escrowed Securities in the Escrow Fund whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in trust, to secure, and for the payment of, the Refunding Requirements applicable to the Refunded Bonds and shall collect the principal of and interest on such Escrowed Securities held by it hereunder promptly as such principal and interest become due.

Section 3. Payment of Refunded Bonds. From the uninvested money and proceeds of maturing Escrowed Securities held in the Escrow Fund, the Escrow Agent shall pay (i) interest on the Refunded Bonds prior to August 1, 20__ (the "Redemption Date") and (ii) 100% of the principal amount of the Refunded Bonds plus accrued interest thereon (the "Redemption Price") for the Refunded Bonds on the Redemption Date, all as set forth in Exhibit B hereto.

Section 4. Irrevocable Instructions to Send Notices. The Successor Agency hereby irrevocably instructs the Trustee to give notice within five business days of delivery of the Refunding Bonds of defeasance of the Refunded Bonds, substantially in the form set forth in Exhibit C hereto. The Successor Agency hereby designates the Refunded Bonds for redemption on the Redemption Date and hereby irrevocably instructs the Trustee, to give, in accordance with the Indenture, notice of redemption of such Refunded Bonds to the Owners thereof, substantially in the form set forth in Exhibit D hereto.

Section 5. Investment of Escrow Fund; Substitution; Reinvestment.

(a) The Successor Agency and the Escrow Agent each shall take all remaining necessary action to have issued and registered in the name of the Escrow Agent, for the account of the Escrow Fund, the Escrowed Securities.

(b) There shall be no exchange or substitution of the Escrowed Securities, except upon: (i) the written direction of the Successor Agency; (ii) receipt by the Successor Agency and the Trustee of a new verification report, prepared by an independent certified public accountant, verifying the sufficiency of the amount of Escrowed Securities and cash on deposit in the Escrow Fund; and (iii) receipt of an opinion of nationally recognized bond counsel to the effect that such exchange or substitution will not adversely affect the exemption from federal income tax of interest on the Refunded Bonds. The Escrow Agent shall not be liable or responsible for any loss

resulting from any substitution of securities made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

(c) Except as otherwise provided herein, the Escrow Agent shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested in such Escrow Fund; provided, however, that after receiving (i) an opinion of nationally recognized bond counsel to the effect that such reinvestment will not adversely affect the exemption from federal income taxation of interest on the Refunded Bonds and (ii) a new verification report, prepared by an independent certified public accountant, to the effect that such reinvestment will not adversely affect the sufficiency of the amount of Escrowed Securities and cash on deposit in the Escrow Fund, the Escrow Agent may, at the written direction of the Successor Agency, reinvest any cash portion of such Escrow Fund in Escrow Securities. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

(d) The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Successor Agency periodic cash transaction statements which will include detail for all investment transactions made by the Escrow Agent hereunder.

Section 6. Sufficiency of Escrow. Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Successor Agency and as verified by the Verification Report, which at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

If at any time it shall appear to the Escrow Agent that the moneys in the Escrow Fund, including the investment earnings thereon and any uninvested cash, will not be sufficient to meet the Refunding Requirements, the Escrow Agent shall notify the Executive Director of the Successor Agency of such deficiency in writing as soon as reasonably practicable. Upon receipt of such notice, the Successor Agency shall promptly use its best efforts to pay to the Escrow Agent, from any legally available moneys, and the Escrow Agent shall deposit in the Escrow Fund, the amount necessary to make up the deficiency. The Escrow Agent shall not be liable or responsible for any loss resulting from its failure to give such notice nor from the Successor Agency's failure to make any such payment.

Section 7. Termination of Escrow Agreement; Written Request of Successor Agency. When the Escrow Agent shall have transferred, pursuant to Section 3 hereof, such moneys as are required to pay in full and discharge all of the Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall immediately pay over to the Successor Agency the moneys, if any, then remaining in the Escrow Fund and this Escrow Agreement shall terminate. The Trustee shall promptly pay to the Successor Agency any and all unclaimed moneys on deposit in the Escrow Fund and this request shall constitute the Request of the Successor Agency for such purpose.

Section 8. Fees and Costs.

(a) The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed by separate agreement. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred, including but not limited to, legal and accounting services in connection with any litigation or other proceedings which may at any time be instituted involving this Escrow Agreement not due to the negligence or willful misconduct of the Escrow Agent.

(b) Payments to the Escrow Agent pursuant to this Section 8 shall not be for deposit in the Escrow Fund, and the fees of and the costs incurred by the Escrow Agent shall not be a charge on and in no event shall be deducted from the Escrow Fund.

Section 9. Merger or Consolidation. Any company into which the Trustee and Escrow Agent 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 and Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the Indenture, shall be the successor to such Trustee and Escrow Agent without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 10. Resignation of Escrow Agent. The Escrow Agent may resign and be discharged of its duties hereunder, in accordance with the procedures set forth in Article VIII of the Indenture, if and at such time as the Escrow Agent shall be discharged as Trustee under the Indenture. Any successor trustee under the Indenture shall succeed as the Escrow Agent under this Escrow Agreement.

Section 11. Indemnification. To the extent permitted by law, the Successor Agency hereby assumes liability for, and hereby agrees to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any loss, damages, liability or expenses (including legal fees and disbursements) incurred without negligence or willful misconduct on the part of the Escrow Agent and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys, securities or investments by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

Section 12. Capacity Immunities and Liabilities of Escrow Agent. The Escrow Agent is entering into this Escrow Agreement in its capacity as Trustee under the Indenture and shall be entitled to the protections, limitations from liability and indemnification afforded in Article VIII of the Indenture. The Escrow Agent shall perform such duties and only such duties as are specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The liability of the Escrow Agent to make payments required pursuant to this Escrow Agreement shall be limited to the cash and Escrowed Securities held on deposit in the Escrow Fund. The Escrow Agent shall not be liable or

Section 16. Law Governing. This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

Section 17. Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Successor Agency to the Community Redevelopment Agency of the City of Calexico has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and The Bank of New York Mellon Trust Company, N.A. has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF CALEXICO

By: _____
Executive Director

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee and Escrow Agent

By: _____
Authorized Officer

EXHIBIT C

NOTICE OF DEFEASANCE

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO
MERGED CENTRAL BUSINESS DISTRICT AND RESIDENTIAL
REDEVELOPMENT PROJECT AREA
TAX ALLOCATION BONDS, ISSUE OF _____**

Notice is hereby given to the applicable owners of the outstanding Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 20__ (the "Bonds"), bearing the CUSIP number set forth below (the "Defeased Bonds"), there has been deposited with The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), moneys from the Successor Agency to the Community Redevelopment Agency of the City of Calexico (the "Successor Agency"), which will be sufficient to pay interest on the Defeased Bonds through and including August 1, 2021 (the "Redemption Date") and to pay the redemption price of all remaining Defeased Bonds on the Redemption Date. The redemption price of, and interest on, such Defeased Bonds shall be paid only from moneys deposited with the Trustee as aforesaid. As a result of such deposit, such Defeased Bonds are deemed to have been paid in accordance with the applicable provisions of the Indenture of Trust, dated as of ____, 20__, as supplemented from time to time, between the Community Redevelopment Agency of the City of Calexico and the Trustee pursuant to which the Bonds were issued.

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP (Base No. 129530)*
---	-----------------------------	--------------------------	-------------------------------------

* The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this Notice or as printed on any bond. It is included solely for the convenience of the bondholders.

Dated: _____, 20__

EXHIBIT D

NOTICE OF REDEMPTION

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO
MERGED CENTRAL BUSINESS DISTRICT AND RESIDENTIAL
REDEVELOPMENT PROJECT AREA
TAX ALLOCATION BONDS, ISSUE OF _____
Redemption Date: August 1, 20__**

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP (Base No. 129530)*
---	-----------------------------	--------------------------	-------------------------------------

* The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this Notice or as printed on any bond. It is included solely for the convenience of the bondholders.

NOTICE IS HEREBY GIVEN to the owners of the above-referenced bonds (the "Bonds") issued by the Community Redevelopment Agency of the City of Calexico (the "Agency") on _____, that the Bonds have been called for redemption prior to maturity on August 1, 20__3 (the "Redemption Date"). On the Redemption Date there will be due and payable on each of the Bonds the redemption price of one hundred percent (100%) of the principal amount thereof (the "Redemption Price"), together with interest accrued thereon to the Redemption Date. From and after the Redemption Date, interest on the Bonds shall cease to accrue.

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender thereof in the following manner:

If by First Class/Registered/Certified Mail:

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only:

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only:

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclays Street, 1st Floor
New York, NY 10286

BONDHOLDER'S COMMUNICATIONS: 800-254-2826

Interest with respect to the principal amount of the Bonds designated to be redeemed shall cease to accrue on and after the Redemption Date.

Bondholders presenting their Bonds in person for same day payment must surrender their Bond(s) by 1:00 P.M. on the Redemption Date, and a check will be available for pick up after 2:00 P.M. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class

mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Important Notice

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), 28% will be withheld if tax identification number is not properly certified.

DATED this ___ day of _____, 20__.

INDENTURE OF TRUST

Dated as of [Dated Date]

by and between the

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A.
as Trustee

Relating to

\$ _____
Successor Agency to the
Community Redevelopment Agency of the City of Calexico
Merged Central Business District and Residential
Redevelopment Project Area
Subordinate Tax Allocation Refunding Bonds, Issue of 2018A

and

\$ _____
Successor Agency to the
Community Redevelopment Agency of the City of Calexico
Merged Central Business District and Residential
Redevelopment Project Area
Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is dated as of [Dated Date], by and between the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Agency" or "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Community Redevelopment Agency of the City of Calexico (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue Bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California was adopted and approved and adopted by Ordinance No. 826 of the City of Calexico on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857, approved and adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864, approved and adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1, approved and adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 by Ordinance No. 920 approved and adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 approved and adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005, in compliance with all requirements of the Law; and

WHEREAS, the Prior Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2000 (the "2000 Bonds"); and

WHEREAS, the Prior Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2006 (the "2006 Bonds"); and

WHEREAS, the Prior Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2011 (the "2011 Bonds" and, collectively with the 2000 Bonds and the 2006 Bonds, the "Refunded Bonds"); and

WHEREAS, the Successor Agency desires to issue tax allocation refunding bonds (as further defined herein, the "Bonds") to refund [all of the] outstanding Refunded Bonds and to

pay costs in connection with the issuance of the Bonds and to make certain other deposits as required by this Indenture; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Community Redevelopment Agency of the City of Calexico being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency hereby certifies that all acts and proceedings required by law necessary to make the Bonds, when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.1 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken 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 or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

Section 1.2 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.2 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Act” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Alternate Reserve Account Security” means one or more letters of credit, surety bonds, bond insurance policies, or other form of guaranty, [including the Reserve Policy], from a financial institution for the benefit of the Trustee in substitution for or in place of all or any portion of the Reserve Requirement which shall be approved by the Successor Agency.

“Annual Debt Service” means, for any Bond Year, the principal and interest payable on the Outstanding Bonds in such Bond Year.

“Bond Counsel” means Norton Rose Fulbright US LLP, an attorney or firm of attorneys acceptable to the Successor Agency of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions.

“Bonds” means the Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018A and the Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable), authorized by and at any time Outstanding pursuant to this Indenture.

“Bond Year” means the twelve (12) month period commencing on August 2 of each year, provided that the first Bond Year shall extend from the Delivery Date to August 1, 2019.

“Bondowner” or “Owner,” or any similar term, means any person who shall be the registered owner or his duly authorized attorney, trustee or representative of any Outstanding Bond.

“Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the corporate trust office of the Trustee is located are authorized to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certificate” or “Certificate of the Successor Agency” means a Written Certificate of the Successor Agency.

“Chair” means the chair of the Successor Agency or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution or bylaw to perform the functions of the chair in the event of the chair’s absence or disqualification.

“City” means the City of Calexico, State of California.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Community Redevelopment Agency of the City of Calexico” or “Calexico Agency” means the Community Redevelopment Agency of the City of Calexico.

“Computation Year” means, with respect to the Bonds, the period beginning on the Delivery Date and ending on August 1, 2019, and each 12-month period ending on August 1 thereafter until there are no longer any Bonds Outstanding.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement among the Successor Agency, the Trustee and _____ dated the Delivery Date as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means the corporate trust office of the Trustee, currently at The Bank of New York Mellon Trust Company, N.A., or such other or additional offices as may be specified to the Successor Agency by the Trustee in writing.

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds including the initial fees and expenses of the Trustee, rating agency fees, legal fees and expenses, costs of printing the Bonds and Official Statement, fees of financial consultants and other fees and expenses set forth in a Written Certificate of the Successor Agency.

“Costs of Issuance Fund” means the trust fund established in Section 3.3 of this Indenture.

“County” means the County of Imperial, California.

“Debt Service Fund” means that trust fund established in Section 4.2 of this Indenture.

“Defeasance Securities” means:

1. Cash

2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“Delivery Date” means the date on which the Bonds of each Series are delivered to the initial purchaser thereof.

“Dissolution Act” means 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 of California.

“DOF” means the California Department of Finance.

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

“Fiscal Year” means any twelve (12) month period beginning on July 1st and ending on the next following June 30th.

“Fund or Account” means any of the funds or accounts referred to herein.

“Independent Financial Consultant,” “Independent Engineer,” “Independent Certified Public Accountant” or “Independent Redevelopment Consultant” means any individual or firm engaged in the profession involved, appointed by the Successor Agency, and who, or each of whom, has a favorable reputation in the field in which his/her opinion or certificate will be given, and:

- (1) is in fact independent and not under domination of the Successor Agency;

(2) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(3) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

["Insurance Policy" or "Policy" means the insurance policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.]

["Insured Bonds" means the Bonds maturing on and after August 1, 20____.]

["Insurer" means _____, or any successor thereto or assignee thereof.]

"Interest Payment Date" means February 1 and August 1, commencing _____ 1, 2019 so long as any of the Bonds remain Outstanding hereunder.

"Law" means the Community Redevelopment Law of the State of California as cited in the recitals hereof.

"Maximum Annual Debt Service" means the largest of the sums obtained for any Bond Year after the computation is made, by totaling the following for each such Bond Year:

(1) The principal amount of all Bonds and Parity Bonds, if any; and

(2) The interest which would be due during such Bond Year on the aggregate principal amount of Bonds and Parity Bonds which would be outstanding in such Bond Year if the Bonds and Parity Bonds outstanding on the date of such computation were to mature or be redeemed in accordance with the maturity schedules for the Bonds and Parity Bonds. At the time and for the purpose of making such computation, the amount of term Bonds and term Parity Bonds already retired in advance of the above-mentioned schedules shall be deducted pro rata from the remaining amounts thereon.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys of favorable reputation in the field of municipal bond law. Any opinion of such counsel may be based upon, insofar as it is related to factual matters, information which is in the possession of the Successor Agency as shown by a certificate or opinion of, or representation by, an officer or officers of the Successor Agency, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which his or her opinion may be based, as aforesaid, is erroneous.

"Outstanding" means, when used as of any particular time with reference to Bonds, subject to the provisions of this Indenture, all Bonds theretofore issued and authenticated under this Indenture except:

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

(b) Bonds paid or deemed to have been paid; and

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

“Oversight Board” means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Parity Bonds” means any additional tax allocation refunding bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Successor Agency as permitted by this Indenture.

“Pass-Through Agreements” means the agreements entered into prior to the date hereof pursuant to Section 33401 of the Health and Safety Code with (1) the County of Imperial and the Imperial County Flood Control District, (2) the Imperial County Superintendent of Schools, (3) the Calexico Unified School District, (4) the Inland Empire Utilities Agency (formerly the Chino Basin Municipal Water District), (5) the West End Resource Conservation District (as to Canyon Ridge Community Development Project Area), (6) the Chaffey Community College District (as to the Canyon Ridge Community Development Project Area) and (7) the [City of Calexico (as to the Canyon Ridge Community Development Project Area)].

“Paying Agent” means any paying agent appointed by the Successor Agency pursuant to this Indenture.

“Permitted Investments” means:

(a) For all purposes, including defeasance investments in refunding escrow accounts.

(1) Defeasance Securities

(b) For all purposes other than defeasance investments in refunding escrow accounts.

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)

- Federal Housing Administration
 - Federal Financing Bank
- (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies
- (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
- (4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;
- (5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at

times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

- (6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
 - (7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.
 - (8) Investment Agreements with an entity rated “A” or higher by S&P; and;
 - (9) The Local Agency Investment Fund of the State or any state administered pooled investment fund in which the Successor Agency is statutorily permitted or required to invest will be deemed a permitted investment.
- (c) The value of the above investments shall be determined as follows:
- (1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry

providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, and Bank of America Merrill Lynch.

- (2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and
- (3) As to any investment not specified above: the value thereof established by prior agreement among the Successor Agency and the Trustee.

"Rebate Fund" means the fund by that name referenced in Section 4.4 of this Indenture.

"Rebate Regulations" means the final Treasury Regulations issued under Section 148(f) of the Code.

"Recognized Obligation Payment Schedule" means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (1) of Section 34177 of the Dissolution Act.

"Redevelopment Plan" means the Redevelopment Plan for the project designated as the Central Business District Redevelopment Project in the City of Calexico, California adopted and approved by Ordinance No. 826 of the City of Calexico on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Project Areas were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved by Ordinance No. 930 adopted on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 on June 8, 2005, in compliance with all requirements of the Law.

"Redevelopment Project Area," "Redevelopment Project" or "Project Area" means the Project Area described in the Redevelopment Plan.

"Refunded Bonds" shall have the meaning in the recitals hereto.

"Registration Books" means the books kept by the Trustee containing the registration and transfer information for the Bonds.

"Regular Record Date" means the 15th day of the month preceding any Interest Payment Date whether or not such day is a Business Day.

"Report" means a document in writing signed by an Independent Financial Consultant and including:

(a) A statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates;

(b) A brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

(c) A statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Reserve Account” means the account by that name referenced in Section 4.3 hereof.

[“Reserve Policy” means the reserve surety issued by the Insurer on the date of the issuance of the Bonds in an amount sufficient, along with funds on deposit in the Reserve Account of the Debt Service Fund, to satisfy the Reserve Requirement.]

“Reserve Requirement” means, as of the date of computation, an amount equal to the combined lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 10% of the net proceeds of the Bonds, or (iii) 125% of the average Annual Debt Service on all Bonds Outstanding.

“Redevelopment Obligation Retirement Fund” means the fund by that name referenced in Section 4.2 of this Indenture.

“Series” means a series of Bonds or Parity Bonds issued under this Indenture.

“State” means the State of California, United States of America.

“Supplemental Indenture” means any indenture then in full force and effect which has been duly adopted by the Successor Agency under the Dissolution Act, or any act supplementary thereto or amendatory thereof, at a meeting of the Successor Agency duly convened and held, of which a quorum was present and acted thereon, amendatory of or supplemental to this Indenture or any indebtedness entered into in connection with the issuance of Parity Bonds; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Statutory Pass-Through Amounts” means amounts paid to affected taxing agencies, if any, pursuant to Sections 33607.5 and/or 33607.7 of the Law and Section 34183 of the Dissolution Act.

“Subordinate Pledged Tax Revenues” means the monies deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act, excluding monies on deposit in the Redevelopment Property Tax Trust Fund required to pay debt service on the 2014 Bonds and any refunding bonds issued to refund the 2014 Bonds that were issued on a senior basis to the Bonds, but only to the extent that such monies were pledged to the payment of debt service on the 2014 Bonds or any such refunding bonds. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Subordinate Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness

pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

“Tax Certificate” means that certain Tax Certificate executed by the Successor Agency with respect to the 2018A Bonds.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the Executive Director, Secretary or Finance Officer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

“2000 Bonds Escrow Agreement” means the Escrow Agreement, dated [Dated Date], by and between the Successor Agency and the 2000 Bonds Escrow Bank.

“2000 Bonds Escrow Bank” means _____.

“2000 Bonds Escrow Fund” means the escrow fund established and held pursuant to the 2000 Bonds Escrow Agreement.

“2006 Bonds Escrow Agreement” means the Escrow Agreement, dated [Dated Date], by and between the Successor Agency and the 2006 Bonds Escrow Bank.

“2006 Bonds Escrow Bank” means _____.

“2006 Bonds Escrow Fund” means the escrow fund established and held pursuant to the 2000 Bonds Escrow Agreement.

“2011 Bonds Escrow Agreement” means the Escrow Agreement, dated [Dated Date], by and between the Successor Agency and the 2011 Bonds Escrow Bank.

“2011 Bonds Escrow Bank” means _____.

“2011 Bonds Escrow Fund” means the escrow fund established and held pursuant to the 2000 Bonds Escrow Agreement.

“2014 Bonds” means the Successor Agency’s \$15,395,000 Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Refunding Bonds, Issue of 2014.

“2014 Indenture” means the Indenture of Trust, dated as of November 1, 2014, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A.

“2018A Bonds” means the Successor Agency’s Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018A.

“2018A Interest Account” means the account by that name referenced in Section 4.3 of this Indenture.

“2018A Principal Account” means the account by that name referenced in Section 4.3 of this Indenture.

“2018A Redemption Account” means the account by that name referenced in Section 4.3 of this Indenture.

“2018B Bonds” means the Successor Agency’s Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable).

“2018B Interest Account” means the account by that name referenced in Section 4.3 of this Indenture.

“2018B Principal Account” means the account by that name referenced in Section 4.3 of this Indenture.

“2018B Redemption Account” means the account by that name referenced in Section 4.3 of this Indenture.

Section 1.3 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1 Authorization of Bonds. (a) Two Series of Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Act. This Indenture constitutes a continuing agreement with the Trustee for the benefit of the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. One Series of Bonds shall be designated the “Community Redevelopment Agency of the City of Calxico Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018A.” Another Series of Bonds shall be designated the “Community Redevelopment Agency of the City of Calxico Merged Central Business District and Residential Redevelopment Project Area, Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable).”

(b) The Bonds shall be and are special obligations of the Successor Agency and are secured by an irrevocable pledge of Subordinate Pledged Tax Revenues and other funds as hereinafter provided, and are payable as to principal, interest and premium, if any, on a parity with the Parity Bonds. The Bonds, interest and premium, if any, thereon are not a debt of the City, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the State nor any of its political subdivisions (except the Successor Agency) is liable on them. In no event shall the Bonds, interest thereon and premium, if any, be payable out of any funds or properties other than those of the Successor Agency as set forth in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

The Bonds shall be and are equally secured together with any Parity Bonds, by an irrevocable pledge of the Subordinate Pledged Tax Revenues and other funds as hereinafter provided, without priority for number, maturity, date of sale, date of execution or date of delivery, except as expressly provided herein.

Nothing in this Indenture shall preclude: (a) the payment of the Bonds from the proceeds of refunding bonds issued pursuant to the Law, or (b) the payment of the Bonds from any legally available funds. Nothing in this Indenture shall prevent the Successor Agency from making advances of its own funds, however derived, to any of the uses and purposes mentioned in this Indenture.

The Successor Agency shall have the right to defease the Bonds and be discharged from the lien of this Indenture in accordance with the provision of Section 9.3 hereof. If the Successor Agency shall cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity, to the Bondowners the principal of, premium, if any, and interest to become due on the Bonds, through setting aside trust funds or setting apart in a reserve account or special trust account created pursuant to this Indenture or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with a fiscal agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on the investment of such funds, then the lien of this Indenture, including, without limitation, the pledge of the Subordinate Pledged Tax Revenues, and all other rights granted hereby, shall cease, terminate and become void and be discharged and satisfied, and the principal of, premium, if any, and interest on the Bonds shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Indenture shall require the deposit of more than such amount as may be sufficient, taking into account both the principal amount of such funds and the interest to become due on the investment thereof, to implement any refunding of the Bonds.

Section 2.2 Term of Bonds.

(a) The 2018A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the 2018A Bonds shall mature on August 1, in the years and in the amounts and shall bear interest at the rate per annum as follows:

Maturity Date	Principal Amount	Interest Rate
August 1		

(b) The 2018B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the 2018B Bonds shall mature on August 1, in the years and in the amounts and shall bear interest at the rate per annum as follows:

Maturity Date	Principal Amount	Interest Rate
August 1		

(c) Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed on the Interest Payment Date by first class mail to such Owner at the address of such Owner as it appears on the Registration Books; provided, however, that upon the written request of any Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Regular Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America. Interest shall be calculated based upon a 360-day year of 12 30-day months.

(d) Each Bond shall be initially dated as of the Delivery Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Regular Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before _____ 15, 2019, in which event it shall bear interest from the Delivery Date; provided, however, that if, as of the date of authentication of any Bond,

interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.3 Redemption of Bonds.

(a) Optional Redemption of 2018A Bonds. The 2018A Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The 2018A Bonds maturing on and after August 1, 20__ are subject to redemption prior to maturity in whole, or in part in the manner determined by the Agency, on any date on or after August 1, 20__, from any available source of funds, at a redemption price of 100% of the principal amount of the 2018A Bonds to be redeemed, together with accrued and unpaid interest thereon to the redemption date.

(b) Optional Redemption of 2018B Bonds. The 2018B Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The 2018B Bonds maturing on and after August 1, 20__ are subject to redemption prior to maturity in whole, or in part in the manner determined by the Agency, on any date on or after August 1, 20__, from any available source of funds, at a redemption price of 100% of the principal amount of the 2018B Bonds to be redeemed, together with accrued and unpaid interest thereon to the redemption date.

(c) Sinking Account Redemption of 2018A Bonds. The 2018A Bonds maturing on August 1, 20__ are subject to redemption in part by lot on August 1, 20__ and on August 1 in each year shown below until maturity, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the 2018A Bonds have been redeemed the total amount of all future sinking account payments will be reduced by an amount corresponding to the aggregate principal amount of 2018A Bonds so redeemed, to be allocated among such sinking account payments on a *pro rata* basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee):

Sinking Account Redemption Date (August 1)	Principal Amount to be Redeemed or Purchased
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(d) Sinking Account Redemption of 2018B Bonds. The 2018B Bonds maturing on August 1, 20__ are subject to redemption in part by lot on August 1, 20__ and on August 1 in each year shown below until maturity, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed

together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the 2018B Bonds have been redeemed the total amount of all future sinking account payments will be reduced by an amount corresponding to the aggregate principal amount of 2018B Bonds so redeemed, to be allocated among such sinking account payments on a *pro rata* basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee):

Sinking Account Redemption Date (August 1)	Principal Amount to be Redeemed or Purchased
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(e) Purchase in Lieu of Redemption. In lieu of optional redemption of Bonds, amounts on deposit in the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of the Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of the Bonds so purchased by the Successor Agency and surrendered to the Trustee for cancellation in any twelve-month period ending on July 15, in any year will be credited towards and will reduce the principal amount of the Bonds otherwise required to be redeemed on the following August 1 pursuant to this Indenture.

(f) Notice of Redemption. The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Bonds at least forty-five (45) days prior to the date fixed for such redemption, or such lesser number of days as permitted by the Trustee. The Trustee on behalf of and at the expense of the Agency will mail (by first class mail, postage prepaid) notice of any redemption at least 30 but not more than 60 days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system, or any successor thereto; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the

Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

With respect to any notice of optional redemption of Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 2.4 Form of Bonds. The form of the 2018A Bonds, the 2018B Bonds, the forms of Trustee's certificate of authentication, and the forms of assignment to appear thereon, shall be substantially in the forms set forth in Exhibit A-1 and A-2 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.5 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Chair or Executive Director and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a certificate of authentication in the appropriate form set forth in Exhibit A-1 or A-2 attached hereto, manually executed and dated by and in the name of the Trustee by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.9 hereof, the temporary Bonds shall bear thereon a certificate of authentication manually executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.9 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.6 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal

amount of authorized denominations. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.6 from the Bondowner transferring the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.6, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.7 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.7 from the Bondowner exchanging the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency. The Trustee may refuse to exchange, under the provisions of this Section 2.7, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.8 Registration Books. The Trustee will keep or cause to be kept, at its Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

Section 2.9 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon deliver, a new Bond of like amount and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be

submitted to the Successor Agency and the Trustee and, if such evidence is satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like amount and maturity in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Successor Agency may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11 Book-Entry Only System. It is intended that the Bonds, be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds and shall be registered in the name of Cede & Co., as nominee of DTC. The Successor Agency and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a representation letter in the form required by DTC (the "Representation Letter"). In the event of any conflict between the terms of any such letter or agreement, including the Representation Letter, and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to the Bonds registered in the books of the Trustee in the name of Cede & Co., as nominee of DTC, the Successor Agency and the Trustee, shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, Successor Agency and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than a Bondholder, as shown in the Register, of any notice with respect to the Bonds, including any notice of redemption, (c) the payment to any DTC Participant or Indirect Participant or any other Person, other than a Bondholder, as shown in the Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or (d) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12 and the Bonds are registered to DTC, the Successor Agency, and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor

thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representation Letter.

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks being mailed to the registered owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 2.12 Successor Securities Depository; Transfers Outside Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Successor Agency, without the consent of any other person, but following written notice to the Trustee, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to the foregoing provisions, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Successor Agency, at the expense of the Successor Agency, is obligated to deliver Bond certificates to the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the books of the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names the Bondowner transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. The Successor Agency may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Successor Agency, or such depository's agent or designee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY DEBT

Section 3.1 Issuance of Bonds. Upon the execution and delivery of this Indenture and receipt by the Successor Agency of evidence satisfactory to it of satisfaction of the conditions precedent to issuance of the 2018A Bonds, the Successor Agency shall execute and deliver the 2018A Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the 2018A Bonds upon the Written Request of the Successor Agency. Upon the execution and delivery of this Indenture and receipt by the Successor Agency of evidence satisfactory to it of satisfaction of the conditions precedent to issuance of the 2018B Bonds, the Successor Agency shall execute and deliver the 2018B Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the 2018B Bonds upon the Written Request of the Successor Agency.

Section 3.2 Application of Proceeds of Bonds. (a) On the Delivery Date the net proceeds of sale of the 2018A Bonds (totaling \$_____, consisting of the par amount of the Bonds, plus original issue premium of \$_____, less underwriter's discount of \$_____, [less \$_____ wired to the Insurer as the premium for the Insurance Policy and the Reserve Policy]) and the net proceeds of the 2018B Bonds (totaling \$_____, consisting of the par amount of the Bonds, plus original issue premium of \$_____, less underwriter's discount of \$_____, [less \$_____ wired to the Insurer as the premium for the Insurance Policy and the Reserve Policy]) shall be paid to the Trustee and such amount together with moneys transferred from the Funds and Accounts held in connection with the Refunded Bonds shall be applied as follows:

(i) Trustee shall transfer the amount of \$_____ (consisting of \$_____ from Bond proceeds and \$_____ from amounts transferred from Trustee for the 2000 Bonds) to the 2000 Bonds Escrow Bank for deposit in the 2000 Bonds Escrow Fund pursuant to the 2000 Bonds Escrow Agreement;

(ii) Trustee shall transfer the amount of \$_____ (consisting of \$_____ from Bond proceeds and \$_____ from amounts transferred from Trustee for the 2006 Bonds) to the 2006 Bonds Escrow Bank for deposit in the 2006 Bonds Escrow Fund pursuant to the 2006 Bonds Escrow Agreement;

(iii) Trustee shall transfer the amount of \$_____ (consisting of \$_____ from Bond proceeds and \$_____ from amounts transferred from Trustee for the 2011 Bonds) to the 2011 Bonds Escrow Bank for deposit in the 2011 Bonds Escrow Fund pursuant to the 2011 Bonds Escrow Agreement;

(iv) The Trustee shall deposit the amount of \$_____ from 2018A Bond proceeds into the 2018A Costs of Issuance Account of the Costs of Issuance Fund; and

(v) The Trustee shall deposit the amount of \$_____ from 2018B Bond proceeds into the 2018B Costs of Issuance Account of the Costs of Issuance Fund.

The Trustee may establish a temporary fund or account in its records to facilitate and record such deposits and transfers.

[The Reserve Policy shall be held by the Trustee in the Reserve Account of the Debt Service Fund in satisfaction of a portion of the Reserve Requirement.]

Section 3.3 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. Within the Costs of Issuance Fund, there is hereby established a separate account to be known as the "2018A Costs of Issuance Account" and a separate account to be known as the "2018B Costs of Issuance Account." The moneys in the Costs of Issuance Fund and in any account therein shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to a Series upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the applicable account within the Costs of Issuance Fund. Each such Written Request of the Agency 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. On the date that is six (6) months following the Delivery Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in any account within the Costs of Issuance Fund shall be withdrawn from such account by the Trustee and transferred to the applicable Debt Service Account within the Debt Service Fund and the Trustee shall close the applicable account within the Costs of Issuance Fund.

Section 3.4 Issuance of Parity Bonds. In addition to the Bonds, subject to the requirements of this Indenture, the Successor Agency may issue or incur Parity Bonds in such principal amount or amounts as shall be determined by the Successor Agency, pursuant to a separate indenture or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee and for such purposes as are permitted under the Dissolution Act, including without limitation Section 34177.5 thereof. The Successor Agency may issue or incur such Parity Bonds subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in this Indenture and any indenture or Supplemental Indenture for Parity Bonds;

(b) The Oversight Board shall have approved the issuance of such Parity Bonds, which approval shall not have been reviewed by the Department of Finance (the "DOF") or, if review was requested by DOF, it shall have approved the Oversight Board's approval;

(c) The Parity Bonds will be on such terms and conditions as may be set forth in a separate indenture or Supplemental Indenture, which will provide for (i) bonds substantially in accordance with this Indenture, and (ii) the deposit of moneys, one or more letters of credit, surety bonds, bond insurance policies, or other form of guaranty from a financial institution into the Reserve Account in an amount sufficient to equal the Reserve Requirement on the Parity Bonds to be issued;

(d) Receipt of a certificate or opinion of an Independent Financial Consultant stating that the conditions of Section 34177.5(a)(1) for the issuance of refunding bonds have been met, together with supporting schedules demonstrating such conditions have been met; and

(e) The Parity Bonds will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Bonds until the next succeeding February 1 or August 1) provided, however, nothing herein shall preclude the Successor Agency from issuing and selling Parity Bonds which do not pay current interest.

Section 3.5 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.1 Security of Bonds; Equal Security. Except as provided in Sections 4.2 and 6.6, the Bonds and any additional Parity Bonds shall be equally secured by a pledge and lien on all of the Subordinate Pledged Tax Revenues and on all of the moneys in the Redevelopment Obligation Retirement Fund, the Reserve Account and the Debt Service Fund (including the 2018A Interest Account, the 2018A Principal Account, the 2018A Redemption Account, the 2018B Interest Account, the 2018B Principal Account, and the 2018B Redemption Account therein) on a parity with the first pledge of and lien thereon of the Parity Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Subordinate Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

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

Section 4.2 Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Subordinate Pledged Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section 34170.5 of the Dissolution Act. There is hereby continued a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture. The Successor Agency shall deposit all of the Subordinate Pledged Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture and any separate indenture for Parity Bonds until such time that the aggregate amounts on deposit in the Reserve Account and the Debt Service Fund equal the aggregate amounts required to be deposited into the 2018A Interest Account, the 2018A Principal Account, the 2018A Redemption Account, the 2018B Interest Account, the 2018B Principal Account, the 2018B Redemption Account in such Bond Year and for deposit in the funds and accounts established with respect to Parity Bonds in such Bond Year.

Section 4.3 Transfer of Amounts by the Trustee. There are hereby created accounts within the Debt Service Fund as set forth below, to be known respectively as the 2018A Interest Account, the 2018A Principal Account, the 2018A Redemption Account, the 2018B Interest Account, the 2018B Principal Account, and the 2018B Redemption Account. At the same time as moneys are transferred, on a pro rata basis, for the payment of the Parity Bonds, moneys in the

Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit in the following respective accounts within the Debt Service Fund, which are hereby established with the Trustee, in the following order of priority:

(a) Interest Accounts.

(i) On or before the fifth Business Day preceding each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund and transfer to the 2018A Interest Account an amount which, when added to the amount contained in the 2018A Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding 2018A Bonds on such Interest Payment Date. No such transfer and deposit need be made to the 2018A Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding 2018A Bonds. Subject to this Indenture, all moneys in the 2018A Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2018A Bonds as it becomes due and payable (including accrued interest on any 2018A Bonds redeemed prior to maturity pursuant to this Indenture).

(ii) On or before the fifth Business Day preceding each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund and transfer to the 2018B Interest Account an amount which, when added to the amount contained in the 2018B Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding 2018B Bonds on such Interest Payment Date. No such transfer and deposit need be made to the 2018B Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding 2018B Bonds. Subject to this Indenture, all moneys in the 2018B Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2018B Bonds as it becomes due and payable (including accrued interest on any 2018B Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Accounts.

(i) On or before the fifth Business Day preceding each Principal Payment in each calendar year beginning August 1, 2019, the Trustee will withdraw from the Debt Service Fund and transfer to the 2018A Principal Account an amount equal to the principal payments becoming due and payable on Outstanding 2018A Bonds and Parity Bonds on such August 1, to the extent monies on deposit in the Redevelopment Obligation Retirement Fund are available therefor. No such transfer and deposit need be made to the 2018A Principal Account if the amount contained therein is at least equal to the principal payments to become due on such August 1 on all Outstanding 2018A Bonds. Subject to this Indenture, all moneys in the 2018A Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the 2018A Bonds as it becomes due and payable.

(ii) On or before the fifth Business Day preceding each Principal Payment in each calendar year beginning August 1, 2019, the Trustee will withdraw from the Debt Service Fund and transfer to the 2018B Principal Account an amount equal to the principal payments becoming due and payable on Outstanding 2018B Bonds and Parity Bonds on such August 1, to the extent monies on deposit in the Redevelopment Obligation Retirement Fund are available therefor. No such transfer and deposit need be made to the 2018B Principal Account if the amount contained therein is at least equal to the principal payments to become due on such August 1 on all Outstanding 2018B Bonds. Subject to this Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the 2018B Bonds as it becomes due and payable.

(c) Reserve Account. In the event the moneys on deposit in the Debt Service Fund five (5) Business Days before any Interest Payment Date are less than the full amount of the interest and principal payments required to be deposited, the Trustee will, five (5) Business Days before such Interest Payment Date, withdraw from the Reserve Account an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal. Promptly upon receipt of any such notice, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account an amount that will be sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there is not sufficient moneys in the Redevelopment Obligation Retirement Fund to transfer an amount, which will be sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency will have an obligation to continue making transfers of Subordinate Pledged Tax Revenues into the Debt Service Fund, as such revenues become available, and thereafter, as moneys become available in the Debt Service Fund, the Trustee will make transfers to the Reserve Account until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account (or any subaccount therein) so long as there is on deposit therein a sum at least equal to the Reserve Requirement. Subject to this Indenture all money in the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account (and subaccounts therein, as the case may be), in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement will be withdrawn from the Reserve Account semiannually on or before the fifth Business Day preceding February 1 and August 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the fifth Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made or, (ii) if the Successor Agency shall have caused to be deposited with the Trustee an amount sufficient to make the deposits required by this Indenture, then at the Written Request of the Successor Agency such amount shall be transferred as directed by the Successor Agency.

[The Reserve Policy shall be initially deposited into the Reserve Account.] The prior written consent of the Insurer shall be a condition precedent to the deposit of any Alternate Reserve Account Security, besides the Reserve Policy, provided in lieu of a cash deposit into the

Reserve Account. Any such Alternate Reserve Account Security will provide that the Trustee is entitled to draw amounts thereunder when required for the purposes of making transfers from the Reserve Account to the Interest Account and the Principal Account in the event of a deficiency in any such account. Notwithstanding anything herein to the contrary, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds and any Parity Bonds secured by the Reserve Account.

(d) Redemption Accounts.

(i) On or before the fifth Business Day preceding any date on which 2018A Bonds are to be redeemed, the Trustee shall transfer from the Debt Service Fund for deposit in the 2018A Redemption Account an amount required to pay the principal of, interest and premium, if any, on the Bonds to be redeemed on such date. Subject to this Indenture, all moneys in the 2018A Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest and premium, if any, on the 2018A Bonds to be redeemed on the date set for such redemption.

(ii) On or before the fifth Business Day preceding any date on which 2018B Bonds are to be redeemed, the Trustee shall transfer from the Debt Service Fund for deposit in the 2018B Redemption Account an amount required to pay the principal of, interest and premium, if any, on the Bonds to be redeemed on such date. Subject to this Indenture, all moneys in the 2018B Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest and premium, if any, on the 2018B Bonds to be redeemed on the date set for such redemption.

Section 4.4 Rebate Fund. The Trustee shall establish the Rebate Fund and the Successor Agency shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by the applicable Tax Certificate, unless the Successor Agency obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the 2018A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

Section 4.5 Claims Upon the Insurance Policy. **[to come, if applicable]**

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1 Covenants of the Successor Agency. As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and any Parity Bonds and will tend to make them more marketable; provided, however, that the covenants do not require the Successor Agency to expend any funds other than the Subordinate Pledged Tax Revenues:

Covenant 1. Use of Proceeds; Management and Operation of Properties. The Successor Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in this Indenture and that it will manage and operate all properties owned by it comprising any part of the Project Area in a sound and businesslike manner.

Covenant 2. No Priority. The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Subordinate Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues prior or superior to the lien of the Bonds and any Parity Bonds. Except as permitted by Section 3.4 hereof, it will not issue any obligations, payable as to principal or interest, from the Subordinate Pledged Tax Revenues, which have any lien upon the Subordinate Pledged Tax Revenues on a parity with the Bonds authorized herein. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Subordinate Pledged Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all of the Outstanding Bonds and Parity Bonds, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Subordinate Pledged Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Subordinate Pledged Tax Revenues. As used herein "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

Covenant 3. Punctual Payment. The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds and any Parity Bonds on the date, at the place and in the manner provided for the Bonds and any Parity Bonds. Further, it will take all actions required under the Dissolution Act to include on the Recognized Obligation Payment Schedules for each six-month period all payments to the Trustee to satisfy the requirements of Section 4.2 of this Indenture.

Covenant 4. Payment of Taxes and Other Charges. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Subordinate Pledged Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

Covenant 5. Books and Accounts; Financial Statements. The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Subordinate Pledged Tax Revenues and other funds relating to the Project Area. The Successor

Agency will prepare within one hundred eighty (180) days after the close of each Fiscal Year a postaudit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the postaudit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such postaudits.

Covenant 6. Eminent Domain Proceeds. The Successor Agency covenants and agrees that if all or any part of the Project Area should be taken from it without its consent, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, it shall take all steps necessary to adjust accordingly the base year property tax roll of the Project Area.

Covenant 7. Disposition of Property. The Successor Agency covenants and agrees that it will not dispose of more than ten percent (10%) of the land area in the Project Area (except property shown in the Redevelopment Plan in effect on the date this Indenture is adopted as planned for public use, or property to be used for public streets, public offstreet parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Subordinate Pledged Tax Revenues to be less than the amount required for the issuance of Parity Bonds as provided in Section 3.4, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

Covenant 8. Protection of Security and Rights of Bondowners. The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (a) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (i) the Law (except as modified by the Dissolution Act) is unconstitutional or (ii) that the Subordinate Pledged Tax Revenues pledged under this Indenture cannot be paid to the Successor Agency for the debt service on the Bonds or (b) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Subordinate Pledged Tax Revenues, the senior lien position of the Bonds to the Pass-Through Agreements.

Covenant 9. Tax Covenants. The Successor Agency covenants in connection with the 2018A Bonds as follows:

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

“Closing Date” means the date on which the 2018A Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

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

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the 2018A Bonds.

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

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the 2018A Bonds are invested and that is not acquired to carry out the governmental purposes of the 2018A Bonds.

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

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable. Any reference to a specific Tax Regulation shall also mean, as appropriate, any proposed, temporary or final Tax Regulation designed to supplement, amend or replace the specific Tax Regulation referenced.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of the 2018A Bonds has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The Successor Agency covenants that it shall take all actions necessary in order that interest on the 2018A Bonds be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes, and that it shall not use or invest, and shall not permit the use or investment of, and shall not omit to use or invest Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any 2018A Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Successor Agency and the Trustee receives a written opinion of Bond Counsel to the effect that compliance with such covenant is not necessary to, or that failure to comply with such covenant will not adversely affect, the exclusion of the interest on any 2018A Bond from the gross income of the owner thereof for federal income tax purposes, the Successor Agency shall comply with each of the specific covenants in this subsection.

(c) Private Use and Private Payments. Except as would not cause any 2018A Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the Successor Agency shall take all actions necessary to assure that the Successor Agency or another state or local government at all times prior to the final cancellation of the last of the Bonds to be retired:

- (i) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the 2018A Bonds (including property financed with Gross Proceeds of the Refunded Bonds) and not

use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

- (ii) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the 2018A Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application or interest earned or investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except as would not cause any 2018A Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Successor Agency shall not use or permit the use of Gross Proceeds of the 2018A Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the 2018A Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the Successor Agency shall not (and shall not permit any person to), at any time prior to the final cancellation of the last 2018A Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the 2018A Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the Successor Agency shall not take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any 2018A Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The Successor Agency shall timely file any information required by section 149(e) of the Code with respect to 2018A Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

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

- (i) The Successor Agency shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last 2018A Bond is discharged. However, to the extent permitted by law, the Successor Agency may commingle Gross Proceeds of 2018A Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
- (ii) Not less frequently than each Computation Date, the Successor Agency shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The Successor Agency shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the 2018A Bonds until six years after the final Computation Date.
- (iii) In order to assure the excludability pursuant to section 103 of the Code of the interest on the 2018A Bonds from the gross income of the owners thereof for federal income tax purposes, the Successor Agency shall pay to the United States the amount that when added to the future value of previous rebate payments made for the 2018A Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Successor Agency at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the Successor Agency.
- (iv) The Successor Agency shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount

owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the Successor Agency shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the 2018A Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this subsection because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the 2018A Bonds not been relevant to either party.

(j) Elections. The Successor Agency hereby directs and authorizes any Authorized Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the 2018A Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(k) Closing Certificate. The Successor Agency agrees to execute and deliver in connection with the issuance of the 2018A Bonds a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

(l) 2018A Bonds Not Hedge Bonds.

- (i) At the time the original bonds refunded by the 2018A Bonds were issued, the Successor Agency reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued.
- (ii) Not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

Covenant 10. Compliance with Dissolution Act. The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Bonds, as well as any amount required to replenish the Reserve Account of the Debt Service Fund, in Recognized Obligation Payment Schedules for each six-month period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to transfer to the Trustee the amounts required to pay principal of, and interest on, the Bonds and any Parity Bonds coming due in the respective six-month period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for

approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal and interest on the Bonds and any other Parity Bonds when the next property tax allocation is projected to be insufficient to pay all obligations due on the Bonds and any other Parity Bonds for the next payment due thereunder and hereunder in the following six-month period.

Covenant 11. Limitation on Indebtedness. The Successor Agency covenants and agrees that it has not and will not incur any loans, obligations or indebtedness repayable from Subordinate Pledged Tax Revenues such that the total aggregate debt service on such loans, obligations or indebtedness incurred from and after the date of adoption of the Redevelopment Plan, when added to the total aggregate debt service on the Bonds and Parity Bonds, will exceed the maximum amount of Subordinate Pledged Tax Revenues to be divided and allocated to the Successor Agency pursuant to the Redevelopment Plan. The Successor Agency shall file annually with the Trustee on or prior to August 1 of each year a Written Certificate of the Successor Agency certifying that Subordinate Pledged Tax Revenues received by the Successor Agency through the date of the certificate combined with the amount remaining to be paid on all outstanding obligations of the Successor Agency will not exceed the Plan Limit. To the extent it does, all Subordinate Pledged Tax Revenues will be deposited in an escrow account and applied to the payment or redemption of such outstanding obligations at the next available optional redemption date.

Covenant 12. Further Assurances. The Successor Agency covenants and agrees to adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

Covenant 13. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any participating underwriter, holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE VI

THE TRUSTEE

Section 6.1 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of 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 covenants 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 such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by 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 (ii) if at any time the Successor Agency has knowledge that the Trustee has ceased to be eligible in accordance with subsection (e) of this Section, or has become incapable of acting, or has been adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property has been appointed, or any public officer shall have taken control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving prior written notice of such resignation to the Successor Agency, and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner 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 Successor Agency and to its predecessor Trustee 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 Successor Agency or the request 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 more 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 Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more 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, the Successor Agency shall mail, with a copy

to the Successor Trustee, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency. Notwithstanding any other provisions of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

(e) Every successor Trustee appointed under the provisions of this Indenture shall be a trust company, national banking association or bank in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust 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, national banking association or trust 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 (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

(g) Before taking any action under Article VIII or this Section 6.1 at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or its willful misconduct in connection with any action so taken.

Section 6.2 Merger or Consolidation. Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (e) of Section 6.1, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.3 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor shall incur any responsibility in respect thereof, other than as

expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) 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 not less than a majority in aggregate principal amount of the Bonds at the time Outstanding 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 under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at its Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.1 and may rely conclusively on the certificates accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Subordinate Pledged Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder.

(g) The Trustee may execute any of the trust or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 6.4 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, facsimile, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, in the absence of negligence or willful misconduct by the Trustee. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or willful misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

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 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 a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written 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 deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

Section 6.5 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 during regular business hours upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 6.6 Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture. Upon the occurrence of an Event of Default, the Trustee shall have a first lien on the Subordinate Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII hereof.

The Successor Agency further covenants and agree, but only to the extent permitted and limited by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses and those of its attorneys and advisors of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency under this section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.7 Investment of Moneys in Funds and Accounts. Subject to the provisions of Article V hereof, all moneys held by the Trustee in the Debt Service Fund, the Costs of Issuance Fund, the Redemption Account or the Rebate Fund, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any fund or account, the Trustee shall invest such moneys solely in Permitted Investments described in subsection (b)(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction of the Successor Agency specifying a specific

money market fund and, if no such written direction of the Successor Agency is so received, the Trustee shall hold such moneys uninvested.

(a) Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency only in obligations permitted by the Law, which will by their terms mature not later than the date the Successor Agency estimates the moneys represented by the particular investment will be needed for withdrawal from the Redevelopment Obligation Retirement Fund.

(b) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund shall be invested only in obligations, which will by their terms mature on such dates as to ensure that before each interest and principal payment date, there will be in such account, from matured obligations and other moneys already in such account, cash equal to the interest and principal payable on such payment date.

(c) Moneys in the Reserve Account shall be invested in (i) obligations, which will by their terms mature on or before the date of the final maturity of the Bonds or five (5) years from the date of investment, whichever is earlier or (ii) an investment agreement, which permits withdrawals or deposits without penalty at such time as such moneys will be needed or in order to replenish the Reserve Account.

(d) Moneys in the Rebate Fund shall be invested in Defeasance Securities that mature on or before the date such amounts are required to be paid to the United States.

Obligations purchased as an investment of moneys in any of the funds or accounts shall be deemed at all times to be a part of such respective fund or account and the interest accruing thereon and any gain realized from an investment shall be credited to such fund or account and any loss resulting from any authorized investment shall be charged to such fund or account without liability to the Trustee. The Successor Agency or the Trustee, as the case may be, shall sell or present for redemption any obligation purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund or account as required by this Indenture and shall incur no liability for any loss realized upon such a sale. All interest earnings received on any monies invested in the Interest Account, Principal Account, Redemption Account or Reserve Account, to the extent they exceed the amount required to be in such account, shall be transferred on each Interest Payment Date to the Debt Service Fund. All interest earnings on monies invested in the Rebate Fund shall be retained in such fund and applied as set forth in Section 4.4. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 6.7. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.7 hereof. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations hereunder, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

Section 6.8 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts held by it established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency at reasonable hours and under reasonable circumstances with reasonable prior notice. The Trustee shall furnish to the Successor Agency, at least quarterly, an accounting of all transactions in the form of its regular account statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.9 Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee or Successor Agency appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.9 are adopted to these ends.

In the event that the Trustee or Successor Agency appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be

exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee to exercise such powers, rights and remedies, and every covenant an obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Successor Agency be required by the separate trustee or co-trustee so appointed by the Trustee or Successor Agency for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

In addition to the appointment of a co-trustee hereunder, the Trustee may, at the expense and with the prior written consent of the Successor Agency, appoint any agent of the Trustee for the purpose of administering the transfers or exchanges of Bonds or for the performance of any other responsibilities of the Trustee hereunder.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.1 Amendment Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Owners, to the extent permitted by law for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; or

(c) to provide the issuance of Parity Bonds pursuant to Section 3.4, and to provide the terms and conditions under which such Parity Bonds may be issued, including but not limited to the establishment of Redevelopment Obligation Retirement Funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.4; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income for purposes of federal

income taxation of interest on any of the Bonds, in the opinion of nationally-recognized bond counsel.

Section 7.2 Amendment With Consent of Owners. Except as set forth in Section 7.1, this Indenture and the rights and obligations of the Successor Agency, the Insurer, and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding, upon receipt of the prior written consent of the Insurer, when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Section 7.3 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.4 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency, the Owners of such Bonds shall present such Bonds for that purpose at the Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and, in that case upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

Section 7.5 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond and the Insurer consents thereto.

Section 7.6 Opinion of Counsel. The Trustee shall be provided an opinion of counsel that any such amendment or Supplemental Indenture entered into by the Successor Agency and the Trustee complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.1 Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 30 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default; or

(c) if the Successor Agency shall commence a voluntary action under Title 11 of the United States Code or any substitute or successor statute.

Immediately upon becoming aware of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Successor Agency, and the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid interest on the Bonds is actually paid on such date.)

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the net effective rate then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, including but not limited to attorneys' fees, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its

consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Upon the occurrence of an event of default, the Trustee may, upon the prior written consent of the Insurer, and shall, at the direction of the Insurer, by written notice to the Successor Agency, (a) declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture in the Bonds to the contrary notwithstanding, and (b) upon receipt of indemnity to its satisfaction exercise any other remedies available to the Trustee and the Owners in law or at equity. Notwithstanding the foregoing, in the event the principal of the Insured Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Insurer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Insured Bonds shall be fully discharged.

Section 8.2 Application of Funds Upon Acceleration. All of the Subordinate Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.1, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the order following, upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys and counsel including all sums owed the Trustee pursuant to Section 6.6 herein; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest or any Bond over any other Bond.

Section 8.3 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer

continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.4 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

Section 8.5 Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Subordinate Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.6 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Bonds, as applicable, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided the Trustee shall have no duty or obligation to enforce any such right or remedy if it has not been indemnified to its satisfaction from loss, liability or any expense including, but not limited to reasonable fees and expenses of its attorneys.

Section 8.7 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Benefits Limited to Parties. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Successor Agency, the Trustee, and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Successor Agency, the Trustee, and the registered Owners of the Bonds.

Section 9.2 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.3 Discharge of Indenture. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all Outstanding Bonds, including all principal, interest and redemption premiums, (if any), or;

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

(iii) by irrevocably depositing with the Trustee, in trust, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums, if any) at or before maturity, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given pursuant to Section 2.3(h) or provision satisfactory to the Trustee shall have been made for the giving of such notice then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Subordinate Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to all Outstanding Bonds shall cease and terminate, except only (a) the obligation of the Trustee to transfer and exchange Bonds hereunder and (b) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

In the event of a refunding of all or a portion of the Bonds, the Successor Agency shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Bonds in full, and (ii) an opinion of nationally recognized Bond Counsel to the effect that the Insured Bonds are no longer "Outstanding" under this Indenture, each of which shall be addressed to the Successor Agency and the Trustee.

[In addition, so long as the Insurance Policy in is full force and effect and the Insurer has not defaulted on its obligations thereunder, the Successor Agency shall deliver to the Insurer the items set forth in (i) and (ii) of the preceding paragraph as applicable to the Insured Bonds, both of which shall be acceptable in form and substance to the Insurer, along with an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer) and a certificate of discharge of the Trustee with respect to the Insured Bonds. The Insurer shall receive drafts of these documents at least three Business Days prior to the funding of the escrow for the refunding.]

Section 9.4 Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be provided by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

Section 9.5 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.6 Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.7 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and upon written request of the Successor Agency, provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.8 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, or sent by telegram or facsimile, addressed as follows:

If to the Successor Agency: Successor Agency to the Community Redevelopment
Agency of the City of Calexico
608 Heber Avenue
Calexico, CA 92231
Attention: City Manager

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 S. Hope, Suite 400
Los Angeles, California 90071
Attention: Trust Services

[If to the Insurer:]

Section 9.9 Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof, be assumed by and vest in the Finance Officer of the Successor Agency in trust for the benefit of the Owners that the Finance Officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bondowners, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof.

Section 9.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium (if any) and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

Section 9.11 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.12 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

Section 9.13 Payments Due on Other Than a Business Day. 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, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, 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 therefore in this Indenture.

Section 9.14 Insurer as Third Party Beneficiary. [to come, if applicable]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO, has caused this Indenture to be manually signed in its name by its Chair and attested by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF CALEXICO

By: _____
Its: Chair

ATTEST:

By: _____
Secretary

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A-1
(FORM OF BOND)

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF IMPERIAL)

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO
MERGED CENTRAL BUSINESS DISTRICT AND RESIDENTIAL
REDEVELOPMENT PROJECT AREA
SUBORDINATE TAX ALLOCATION REFUNDING BOND, ISSUE OF 2018A

Interest Rate	Maturity Date	Dated Date	CUSIP
___%	August 1, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth calendar day of the month preceding such interest payment date (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before _____ 15, 2019, in which event it shall bear interest from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the rate per annum stated above, payable semiannually on February 1 and August 1 in each year (each an "interest payment date"), commencing _____ 1, 2019, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed

on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as "Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018A" (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and pursuant to a resolution of the Successor Agency adopted on _____, 2018, and a resolution adopted by the Oversight Board on _____, 2018, and an Indenture of Trust, dated as of [Dated Date], entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Subordinate Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Subordinate Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Subordinate Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a first and exclusive pledge of and lien upon all of the moneys in the Debt Service Fund, the 2018A Interest Account, the 2018A Principal Account, the Reserve Account and the 2018A Redemption Account (as such terms are defined in the Indenture). Except for the Subordinate Pledged Tax Revenues and such

moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

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

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 each and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, reduce the percentage of Bonds required for the written consent to any such amendment or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Calexico, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, 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 Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Community Redevelopment Agency of the City of Calexico has caused this Bond to be executed in its name and on its behalf with the manual signatures of its Chair and its Secretary, all as of the Dated Date.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF CALEXICO

By: _____
Chair

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____, 20__

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____ attorney, to transfer the same on the bond register of the
Trustee with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

Note: Signature(s) must be guaranteed by
an "eligible guarantor institution."

presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as "Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018B" (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and pursuant to a resolution of the Successor Agency adopted on _____, 2018, and a resolution adopted by the Oversight Board on _____, 2018, and an Indenture of Trust, dated as of [Dated Date], entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Subordinate Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Subordinate Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Subordinate Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a first and exclusive pledge of and lien upon all of the moneys in the Debt Service Fund, the 2018B Interest Account, the

2018B Principal Account, the Reserve Account and the 2018B Redemption Account (as such terms are defined in the Indenture). Except for the Subordinate Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

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

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 each and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, reduce the percentage of Bonds required for the written consent to any such amendment or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Calexico, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, 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 Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Community Redevelopment Agency of the City of Calexico has caused this Bond to be executed in its name and on its behalf with the manual signatures of its Chair and its Secretary, all as of the Dated Date.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF CALEXICO

By: _____
Chair

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____, 20__

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____ attorney, to transfer the same on the bond register of the
Trustee with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

Note: Signature(s) must be guaranteed by
an "eligible guarantor institution."