

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF  
THE CORCORAN REDEVELOPMENT AGENCY  
AGENDA**

**City Council Chambers  
1015 Chittenden Avenue  
Corcoran, CA 93212**

**Monday, February 29, 2016  
4:00 P.M.**

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**Public Inspection:** A detailed Oversight Board packet is available for review at the City Clerk's Office, located at Corcoran City Hall, 832 Whitley Avenue.

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**Notice of ADA Compliance:** In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the City Clerks Office at (559) 992-2151 ext. 235.

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**Public Comment:** Members of the audience may address the Oversight Board on non-agenda items; However, in accordance with government code section 54954.2, the Oversight Board may not (except in very specific instances) take action on an item not appearing on the posted agenda.

This is the time for members of the public to comment on any matter within the jurisdiction of the Oversight Board. The board members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome.

After receiving recognition from the chair, speakers shall walk to the rostrum, state their name and address and proceed with comments. Each speaker will be limited to five (5) minutes.

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**ROLL CALL**

City of Corcoran:	Raymond Lerma
City of Corcoran:	Kevin Tromborg
Kings County Board of Supervisors:	Richard Valle
Kings County Public Appointment:	Sid Palmerin
County Superintendent of Schools:	Steve Corl
Corcoran District Hospital:	Mike Graville
College of the Sequoias:	Kristin Robinson

**FLAG SALUTE**

1. **PUBLIC DISCUSSION**

2. **APPROVAL OF MINUTES**

Approval of minutes of the Oversight Board meeting of January 28, 2016.

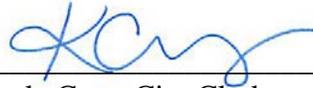
3. **STAFF REPORTS**

3-A. Consider approval of Resolution No. 2016-03 approving the issuance of bonds to refund the 2004 RDA Tax Bond and authorize the Executive Director to sign related documents pertaining to the reissuance. (Meik) (VV)

4. **INFORMATION ITEMS** – None

**ADJOURNMENT:**

I certify that I caused this Agenda of the Oversight Board for the Successor Agency of the Corcoran Redevelopment Agency meeting to be posted at the City Council Chambers, 1015 Chittenden Avenue on February 25, 2016.



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Karla Cruz, City Clerk  
Corcoran Oversight Board Secretary

**MINUTES**  
**CORCORAN OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE**  
**CORCORAN REDEVELOPMENT AGENCY**  
**REGULAR MEETING**  
**January 26, 2016**

The regular session of the Oversight Board for the Successor Agency of the Corcoran Redevelopment Agency was called to order by Chair Lerma, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA at 4:00 P.M.

**ROLL CALL**

Board members present: Steve Corl, Raymond Lerma, Sidonio Palmerin, Kevin Tromborg, and Richard Valle

Board members absent: Mike Graville and Kristen Robinson

Staff present: Karla Cruz and Kindon Meik

Press present: None

**FLAG SALUTE** The flag salute was led by Board Member Palmerin.

1. **PUBLIC DISCUSSION** – None

2. **APPROVAL OF MINUTES**

Following discussion a **motion** was made by Palmerin and seconded by Tromborg to approve the regular meeting minutes of September 28, 2015. Motion carried by the following vote:

**AYES:** Raymond Lerma, Sidonio Palmerin, Kevin Tromborg, and Richard Valle

**NOES:** None

**ABSENT:** Mike Graville and Kristen Robinson

**ABSTAIN:** Steve Corl

3. **STAFF REPORTS**

**3-A.** Following Board discussion a motion was made by Tromborg and seconded by Palmerin to approve Resolution No. 2016-01 adopting the Recognized Obligation Payment Schedule (ROPS 16-17) for the period July 1, 2016 to June 30, 2017. Motion carried by the following vote:

**AYES:** Steve Corl, Raymond Lerma, Sidonio Palmerin, Kevin Tromborg, and Richard Valle

**NOES:** None

**ABSENT:** Mike Graville and Kristen Robinson

**ABSTAIN:** None

**3-B.** Following Board discussion a motion was made by Palmerin and seconded by Valle to approve Resolution No. 2016-02 adopting an **amended** Corcoran Successor Agency Long Range Property Management Plan (LRPMP). Motion carried by the following vote:

**AYES:** Steve Corl, Raymond Lerma, Sidonio Palmerin, Kevin Tromborg, and Richard Valle

**NOES:** None

**ABSENT:** Mike Graville and Kristen Robinson  
**ABSTAIN:** None

**4. INFORMATION ITEMS**

**4-A.** 2004 Tax Allocation Bonds refinance

**ADJOURNMENT**

**4:16 P.M.**

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**Karla Cruz, City Clerk**  
Corcoran Oversight Board Secretary

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**Raymond Lerma**  
Chair

**APPROVED DATE:** \_\_\_\_\_

# CORCORAN

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**STAFF REPORT  
ITEM #3-A**

**MEMORANDUM**

**TO:** Corcoran Oversight Board

**FROM:** Kindon Meik, Executive Director

**DATE:** February 24, 2016                      **MEETING DATE:** February 29, 2016

**SUBJECT:** Resolution No. 2016-03 approving the issuance of refunding bonds in order to refund certain outstanding bonds of the dissolved Corcoran Redevelopment Agency, approving the execution and delivery of a form of indenture of trust relating thereto and requesting Oversight Board Approval of the issuance of the refunding bonds, requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.

**Recommendation:**

It is recommended that the Oversight Board to Successor Agency to the Corcoran Redevelopment Agency (the “Board”) adopt Resolution No. 2016 - 03, “Approving the Issuance of Refunding Bonds by the Successor Agency, Approving the Form of Indenture in Connection therewith and Authorizing Actions Related Thereto.”

**BACKGROUND**

The Agency has bonds outstanding from an issuance in 2004. The bond proceeds were used to refinance outstanding indebtedness, make improvements, purchase land and other traditional redevelopment activities within the redevelopment project area of the Agency. The outstanding bonds have a balance of \$2.940 million, existing coupons of between 4.05-5.00% and mature between 2016 and 2034 with combined total debt service of approximately \$4.06 million.

The outstanding 2004 bonds have call provisions that allow the Agency to refinance on any date at this time. Current market interest rates estimated at approximately 3.00% and are well below the existing bond rates and can produce lower debt service and therefore additional property tax cash flow to the taxing entities.

**REVIEW AND ANALYSIS**

City staff has been working with its consultants (NHA Advisors – financial advisor, Nossaman LLP – bond counsel and Hilltop Securities – placement agent) to analyze and evaluate the refinancing opportunity for the Agency’s outstanding bonds. Nossaman and NHA Advisors have worked with the City on prior bond transactions including the last water financing in 2012.

Since the elimination of redevelopment the State has allowed for refinancing through AB 1484 (Health and Safety Code 34177.5) allowing a Successor Agency to issue bonds provided certain factors are met. Requirements include no additional interest cost and no additional principal other than the amount needed to redeem the outstanding bonds, pay for issuance costs, and meet required debt reserves.

Based on analysis provided by various financial institutions and reviewed by our financial advisor, it was determined that there is sufficient interest rate savings to justify beginning the approval process for issuing refunding bonds. As part of AB 1484, there are multiple steps involved in receiving approval and issuing any refunding bonds.

The steps necessary to issue Refunding Bonds include the following:

- Successor Agency Board approval of Refunding Bond documents--**Completed**
- Oversight Board approval of Refunding Bonds
- State Department of Finance approval of financing plan and Refunding Bonds
- If necessary, drafting and approval of Refunding Bond Official Statement required to sell bonds
- If necessary, Refunding Bonds credit and rating process
- Sale of Refunding Bonds
- Close Financing and redeem old bonds

The next steps to move this transaction forward are to finalize the Financial Advisor's Savings Report and send it with this Agency Board approved form of Indenture and other documents to the California Department of Finance (DOF). DOF will then have 65 days to review and approve of the Agency Board's and Oversight Board's actions. At that time, the Bonds can be sold to investors and rates and terms locked in. During the 65 day period, the finance team will evaluate whether a direct placement to a bank or a public offering to the municipal marketplace will be utilized. If a public offering is deemed to be the best option, then an investor disclosure prospectus known as a "preliminary official statement" (POS) will be developed and put before the Agency Board for its approval. If a direct placement, no POS approval will be required.

By approving the Resolution, the Oversight Board will confirm the Agency Board's approval of the form of the Indenture which is the document that sets the terms and conditions of the bond transaction. These terms will be finalized upon the actual sale of the bonds to investors and that is the time when a bond purchase agreement will be executed which will set the final interest rates, redemption provisions and other terms. It is anticipated that with Oversight Board approval of the Resolution, the sale and closing of the Refunding Bonds could be completed by May, 2016.

### FISCAL IMPACT

Based on current market rates, a refinancing of the outstanding bonds will generate over \$800,000 in cash flow savings through 2034 which would be divided among the taxing entities.

Attachments:

Savings Chart or Cash Flow Savings Analysis

Resolution No. 2016-03

Form of Indenture of Trust

Form of Escrow Agreement

**\$2,793,604**

Corcoran Successor Agency

2016 TAB Refunding

(2004 TABs)

### **Gross Debt Service Comparison**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>New D/S</b>	<b>OLD D/S</b>	<b>Savings</b>
12/01/2016	304,593.59	3.000%	41,904.06	346,497.65	367,207.50	20,709.85
12/01/2017	272,167.34	3.000%	74,670.30	346,837.64	367,547.50	20,709.86
12/01/2018	280,012.36	3.000%	66,505.28	346,517.64	367,227.50	20,709.86
12/01/2019	287,412.74	3.000%	58,104.92	345,517.66	366,227.50	20,709.84
12/01/2020	299,335.12	3.000%	49,482.54	348,817.66	369,527.50	20,709.84
12/01/2021	305,665.16	3.000%	40,502.48	346,167.64	366,877.50	20,709.86
12/01/2022	316,582.63	3.000%	31,332.52	347,915.15	368,625.00	20,709.85
12/01/2023	81,980.10	3.000%	21,835.04	103,815.14	124,525.00	20,709.86
12/01/2024	86,009.50	3.000%	19,375.64	105,385.14	126,095.00	20,709.86
12/01/2025	84,914.79	3.000%	16,795.36	101,710.15	122,420.00	20,709.85
12/01/2026	88,787.24	3.000%	14,247.92	103,035.16	123,745.00	20,709.84
12/01/2027	92,530.85	3.000%	11,584.30	104,115.15	124,825.00	20,709.85
12/01/2028	96,141.78	3.000%	8,808.36	104,950.14	125,660.00	20,709.86
12/01/2029	99,616.03	3.000%	5,924.12	105,540.15	126,250.00	20,709.85
12/01/2030	97,854.51	3.000%	2,935.64	100,790.15	121,500.00	20,709.85
12/01/2031	-	-	-	-	121,750.00	121,750.00
12/01/2032	-	-	-	-	121,750.00	121,750.00
12/01/2033	-	-	-	-	121,500.00	121,500.00
12/01/2034	-	-	-	-	126,000.00	126,000.00
<b>Total</b>	<b>\$2,793,603.75</b>	<b>-</b>	<b>\$464,008.48</b>	<b>\$3,257,612.23</b>	<b>\$4,059,260.00</b>	<b>\$801,647.78</b>

**RESOLUTION NO. 2016-03**

**A RESOLUTION OF THE CORCORAN OVERSIGHT BOARD FOR THE CORCORAN SUCCESSOR AGENCY TO THE FORMER CORCORAN REDEVELOPMENT AGENCY APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, prior to the dissolution of redevelopment agencies, the Redevelopment Agency of the City of Corcoran (the “Original Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (together with California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) and AB No. 1484, the “Law”), including the power to borrow funds and issue bonds for any of its corporate purposes; and

**WHEREAS**, after adopting AB1X 26 on June 29, 2011, which dissolved all redevelopment agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies (all as defined in AB1X 26), the California State Legislature adopted AB No. 1484 (“AB 1484”), a follow on bill to AB1X 26, to provides a mechanism to refund tax allocation bonds under certain circumstances; and

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City of Corcoran (the “City”) elected to serve, and currently serves, as the successor agency (the “Successor Agency”) to the Original Agency with respect to the Original Agency’s outstanding bonds; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(a), this Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Corcoran (the “Oversight Board”) is the oversight board duly established pursuant to the Law for the Successor Agency; and

**WHEREAS**, the Original Agency is obligated to pay the Redevelopment Agency of the City of Corcoran Corcoran Industrial Sector Redevelopment Project Tax Allocation Bonds, Series 2004 issued in the aggregate principal amount of \$4,845,000 (the “Prior Obligations”), for the purpose of financing programs, projects and activities relating to the Original Agency’s Corcoran Industrial Sector Redevelopment Project (the “Redevelopment Project”) from tax increment revenues derived from the Redevelopment Project; and

**WHEREAS**, to provide moneys to refund the Prior Obligations, the Successor Agency is authorized to issue and sell refunding bonds under the provisions of Section 34177.5 of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the “Refunding Bond Law”) as long as the

following two conditions set forth in Health and Safety Code Section 34177.5(a)(1) are met: first, the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the Prior Obligations to be refunded plus the remaining principal of the Prior Obligations to be refunded; second, the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the Prior Obligations, to establish customary debt service reserves, and to-pay related costs of issuance; and

**WHEREAS**, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds (the “2016 Bonds”) in an aggregate principal amount sufficient to refund all Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2016 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations, to pay costs in connection with the issuance of the 2016 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

**WHEREAS**, the 2016 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the Refunding Bond Law; and

**WHEREAS**, this Oversight Board desires to approve all matters relating to the issuance and sale of the 2016 Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code of the State of California.

**BE IT RESOLVED** by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Corcoran:

**SECTION 1.** Each of the foregoing recitals is true and correct.

**SECTION 2.** The issuance by the Successor Agency of the 2016 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2016 Bonds pursuant to the Indenture approved by Section 4 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2016 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2016 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2016 Bonds and the sale of the 2016 Bonds at a public or private sale.

**SECTION 3.** The Oversight Board hereby approves the Placement Agent Agreement, Indenture and Escrow Agreement for the Prior Obligations, each in the form presented to the Oversight Board at this meeting and made a part hereof as though set forth in full herein. The Successor Agency is hereby authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Contract, a Private Placement Memorandum, a Rate Lock Agreement, an Official Statement, a Continuing Disclosure

Certificate, and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

**SECTION 4.** The Chairman of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2016 Bonds.

**SECTION 5.** Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2016 Bonds are issued.

**SECTION 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Successor Agency to the Corcoran Redevelopment Agency at a regular meeting this 29th day of February 2016, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Raymond Lerma, Chairperson

**ATTEST:**

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Karla Cruz, City Clerk  
Corcoran Oversight Board Secretary

**CERTIFICATE**

**STATE OF CALIFORNIA )  
COUNTY OF KINGS ) ss.  
CITY OF CORCORAN )**

**I, KARLA CRUZ**, Board Clerk of the Corcoran Successor Agency, do hereby certify the forgoing Resolution of the Corcoran Oversight Board for the Corcoran Successor Agency of the Corcoran Redevelopment Agency was duly passed and adopted at a Regular Meeting of the Oversight Board held on February 29, 2016.

**DATED:** February 26, 2016

\_\_\_\_\_  
Karla Cruz, Board Clerk  
Corcoran Oversight Board Secretary

**INDENTURE OF TRUST**

**Dated as of \_\_\_\_\_, 2016**

**by and between the**

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF  
CORCORAN**

**and**

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

**Relating to**

**\$ \_\_\_\_\_**

**Successor Agency to the Redevelopment Agency of the City of Corcoran  
Tax Allocation Refunding Bonds, Series 2016**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of \_\_\_\_\_, 2016, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN, a public entity duly existing under the laws of the State of California (the “Successor Agency”), as successor to the redevelopment activities of the Redevelopment Agency of the City of Corcoran (the “Former Agency”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

### WITNESSETH:

**WHEREAS**, the Former Agency is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State (collectively, as amended, the “Law”), including the power to issue bonds and incur debt for any of its corporate purposes;

**WHEREAS**, Redevelopment Plan for the Corcoran Industrial Sector Redevelopment Project (the “Redevelopment Project”) of the Former Agency was adopted and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

**WHEREAS**, in order to finance and refinance redevelopment activities within or of benefit to the Redevelopment Project, the Former Agency issued certain outstanding bonds more fully described herein (collectively, the “Refunded Bonds”);

**WHEREAS**, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the redevelopment components of the Former Agency were dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with a resolution adopted by the City Council of the City on November 1, 2011 and pursuant to the Dissolution Act, assumed certain redevelopment components, including the redevelopment related duties and obligations, of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Refunded Bonds and the related documents to which the Former Agency was a party;

**WHEREAS**, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding redevelopment related bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5;

**WHEREAS**, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5;

**WHEREAS**, in order to provide moneys to refund the Refunded Bonds (as defined herein) for the purpose of providing debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2016 (the “2016 Bonds”);

**WHEREAS**, the 2016 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(1) of the California Health and Safety Code, the Law and the Refunding Law;

**WHEREAS**, in order to provide for the authentication and delivery of the 2016 Bonds, to establish and declare the terms and conditions upon which the 2016 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 has determined that all acts and proceedings required by law necessary to make the 2016 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 legal, 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 (as defined below), including the 2016 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, including the 2016 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, including the 2016 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, including the 2016 Bonds, as follows:

## **ARTICLE I**

### **DETERMINATIONS; DEFINITIONS**

**Section 1.01 Findings and Determinations.** The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, 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 2016 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 2016 Bonds in the manner and form provided in this Indenture.

**Section 1.02 Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.02 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.

“**Bonds**” means the 2016 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

“**Bond Counsel**” means (a) Nossaman LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“**Bond Year**” means each twelve (12) month period extending from February 2 in one calendar year to February 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2016 Bonds shall commence on the Closing Date and end on February 1, 2017.

“**Business Day**” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

“**City**” means the City of Corcoran.

“**Closing Date**” means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2016 Bonds is \_\_\_\_\_, 2016.

“**Code**” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2016 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2016 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“**Continuing Disclosure Certificate**” means that certain Continuing Disclosure Certificate, with respect to the 2016 Bonds, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

“**County**” means the County of Kings.

**“Debt Service Fund”** means the fund by that name established and held by the Trustee pursuant to Section 4.03.

**“Defeasance Obligations”** means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

**“Department of Finance”** means the Department of Finance of the State of California.

**“Depository”** means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

**“Depository System Participant”** means any participant in the Depository’s book-entry system.

**“Dissolution Act”** means California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

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

**“Escrow Agreement”** means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date and relating to the 2004 Bonds.

**“Escrow Bank”** shall mean U.S. Bank National Association.

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

**“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

**“Federal Securities”** means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

**“Fiscal Year”** means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

**“Former Agency”** means the Redevelopment Agency of the City of Corcoran.

**“Indenture”** means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

**“Independent Accountant”** means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

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

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

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

**“Independent Redevelopment Consultant”** means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under domination of the Successor Agency or the City;

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

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

**“Information Services”** means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

**“Insured Bonds”** means the 2016 Bonds [maturing on and after February 1, 20\_\_].

**“Insurance Policy”** means the Municipal Bond Insurance Policy issued by the 2016 Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

**“Insurer”** means the 2016 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to other Bonds.

**“Interest Account”** means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

**“Interest Payment Date”** means each August 1 and February 1, commencing August 1, 2016, for so long as any of the Bonds remain Outstanding hereunder.

**“Last and Final ROPS”** means a Last and Final Recognized Obligation Payment Schedule authorized by Section 34191.6 of the Dissolution Act.

**“Law”** means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

**“Maximum Annual Debt Service”** means, as of the date of calculation, the largest amount for the current or any future Bond Year payable in such Bond Year. For purposes of such calculation, there shall be excluded payments with respect to each series of Bonds to the extent that

amounts due with respect to such series of Bonds are prepaid or otherwise discharged in accordance with this Indenture.

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

“**Nominee**” means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

“**Outstanding**” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

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

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03;  
and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“**Oversight Board**” means the Oversight Board of the Successor Agency established pursuant to the Section 34179 of the Dissolution Act.

“**Owner**” or “**Bondowner**” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books. The initial Bondowner is City National Bank, a national banking association.

“**Parity Debt**” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2016 Bonds pursuant to Section 3.05, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

“**Parity Debt Instrument**” means a resolution, indenture of trust, supplemental indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, other than a Supplemental Indenture.

“**Participating Underwriter**” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“**Permitted Investments**” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the

full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise);

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "Aa" or better by Moodys' and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moodys' and "AA" or better by S&P;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s, and “A-1+” by S&P; and

(k) The Local Agency Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

**“Pledged Tax Revenues”** means all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited by the Auditor-Controller of the County of Kings in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

**“Principal Account”** means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

**“Principal Corporate Trust Office”** means the corporate trust office of the Trustee in San Francisco, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

**“Project Area”** means the area within the Corcoran Industrial Sector Redevelopment Project.

**“Qualified Reserve Account Credit Instrument”** means (i) the Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee with respect to other Bonds, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company at the time of issuance of such Qualified Reserve Account Credit Instrument of “A” (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to the Bonds with respect to which it is deposited or with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

**“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 California Health and Safety Code.

**“Record Date”** means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

**“Redemption Account”** means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

**“Redevelopment Obligation Retirement Fund”** means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(b) and administered by the Successor Agency.

**“Redevelopment Plan”** means the Redevelopment Plan for the Corcoran Industrial Sector Redevelopment Project adopted approved by Ordinance No. 382, as amended pursuant to the Amendment approved by Ordinance No. 414 N.S., enacted by the City of Corcoran on July 15, 1985, as such Redevelopment Plan has previously been amended and as it may hereafter be amended in accordance with the law.

**“Redevelopment Project”** means the undertaking of the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

**“Redevelopment Property Tax Trust Fund”** means the fund by that name established pursuant to California Health & Safety Code Sections 34170.5(a) and 34172(c) and administered by the Auditor-Controller of the County of Kings.

**“Refunded Bonds”** means the Redevelopment Agency of the City of Corcoran Corcoran Industrial Sector Redevelopment Project Tax Allocation Bonds, Series 2004, currently outstanding in the aggregate principal amount of \$2,940,000.

**“Refunding Fund”** means the 2016 Refunding Fund established and held by the Trustee pursuant to Section 3.04.

**“Refunding Law”** means 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, and the acts amendatory thereof and supplemented thereto.

**“Registration Books”** means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

**“Report”** means a document in writing signed by an Independent Redevelopment Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this 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.

**“Request for Last and Final ROPS Approval”** means a request submitted by the Successor Agency pursuant to Section 34191.6 of the Dissolution Act for approval by the Department of Finance of a Last and Final ROPS or any amendment to an approved Last and Final ROPS.

**“Reserve Account”** means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

**“Reserve Policy”** means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2016 Insurer guaranteeing certain payments into the Reserve Account with respect to the Series 2016 Bonds as provided therein and subject to the limitation set forth therein.

**“Reserve Requirement”** means, subject to Section 4.03(c) of this Indenture, with respect to the 2016 Bonds and each series of Bonds, the lesser of

Bonds,

- (i) 125% of the average Annual Debt Service with respect to that series of the

- (ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

- (iii) with respect to an individual series of Bonds, 10% of the original principal amount of that series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that in no event shall the Successor Agency, in connection with the issuance of Bonds be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof.

**“ROPS Period”** means each annual period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year, or such other period as provided in the Dissolution Act.

**“S&P”** means Standard & Poor’s Financial Services LLC, a division of McGraw Hill Financial, and its successors.

**“Securities Depositories”** means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

**“Serial Bonds”** means all Bonds other than Term Bonds.

**“Special Fund”** means the fund held by the Successor Agency established within the Redevelopment Obligation Retirement Fund pursuant to Section 4.02.

“**State**” means the State of California.

“**Supplemental Indenture**” means any supplement to this Indenture which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Term Bonds**” means that portion of any Bonds payable from mandatory sinking account payments.

“**Trustee**” means U.S. Bank National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“**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 or Treasurer of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose.

“**2016 Bonds**” means the \$\_\_\_\_\_ initial aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Corcoran Tax Allocation Refunding Bonds, Series 2016.

“**2016 Insurer**” means \_\_\_\_\_, or any successor thereto.

**Section 1.03 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 2.01 Authorization of 2016 Bonds.** The 2016 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with 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. Such initial issues of Bonds shall be designated the “Successor Agency to the Redevelopment Agency of the City of Corcoran Tax Allocation Refunding Bonds, Series 2016.” The 2016 Bonds shall be issued in the initial aggregate principal amount of \$\_\_\_\_\_.

**Section 2.02 Terms of 2016 Bonds.** The 2016 Bonds shall be issued in fully registered form without coupons. The 2016 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2016 Bond shall have more than one maturity date. The 2016 Bonds shall be dated as of their Closing Date. The 2016 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2016 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date</i> <i>(February 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>
	\$	%

Each 2016 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a 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) it is authenticated on or before July 15, 2016, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2016 Bond, interest thereon is in default, such 2016 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2016 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2016 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2016 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2016 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

**Section 2.03 Redemption of 2016 Bonds.**

(a) Optional Redemption. The 2016 Bonds maturing on or prior to February 1, 20[26] are not subject to optional redemption. The 2016 Bonds maturing on or after February 1, 20[27], are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after February 1, 20[26], by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot

within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2016 Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty five (45) days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee), and shall transfer to the Trustee for deposit in the Debt Service Fund all amounts required for such redemption not later than the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption. The 2016 Bonds that are Term Bonds maturing February 1, 20\_\_ and February 1, 20\_\_ shall also be subject to mandatory redemption in whole, or in part by lot, on February 1 in each year, commencing February 1, 20\_\_ and February 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on February 1 in the respective years as set forth in the following table[s]; provided however, that (y) in lieu of redemption thereof such Series 2016 Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(c) hereof, and (z) if some but not all of such Series 2016 Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series 2016 Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

**Series 2016 Term Bonds of 20\_\_**

<i>February 1</i>	<i>Principal Amount</i>
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**Series 2016 Term Bonds of 20\_\_**

<i>February 1</i>	<i>Principal Amount</i>
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(a) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, (i) to any Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the

Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent; provided, however, the notice of rescission shall not be required to be mailed within the time period required for the notice of redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(b) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(c) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(d) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so

selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(e) Purchase in Lieu of Redemption. In lieu of redemption of the Serial or Term Bonds pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Serial or Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Serial or Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Serial or Term Bonds required to be redeemed pursuant to a Supplemental Indenture on February 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

**Section 2.04 Form of 2016 Bonds.** The 2016 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

**Section 2.05 Execution of Bonds.** The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or its Treasurer or the written designee of either 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. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. 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 form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate 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 2.09 hereof, the temporary Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

**Section 2.06 Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate 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 shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like series, tenor, maturity and aggregate principal

amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

**Section 2.07 Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same series, tenor and maturity and of other authorized denominations. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption.

**Section 2.08 Registration of Bonds.** The Trustee will keep or cause to be kept, at its Principal Corporate 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 and copying by the Successor Agency, upon reasonable prior notice to the Trustee; 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. **Notwithstanding the foregoing, a Bondowner may only transfer the Bonds so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered an Investor Letter (in the form attached as Exhibit B hereto) to the Successor Agency.**

**Section 2.09** [Reserved]

**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 authenticate and deliver, a new Bond of like tenor and amount 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 Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it 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 tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner 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 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 System.**

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition

to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

**Section 2.12 Applicability of Provisions to Additional Bonds.** Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03(c) and 2.05 through 2.11 shall apply to all Bonds.

### ARTICLE III

#### DEPOSIT AND APPLICATION; ADDITIONAL DEBT

**Section 3.01 Issuance of Bonds.** Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the 2016 Bonds in the aggregate principal amount of \$\_\_\_\_\_ and the Trustee shall authenticate and deliver the 2016 Bonds upon the Written Request of the Successor Agency.

**Section 3.02 Application of Proceeds of Sale and Certain Other Amounts.** On the Closing Date with respect to the 2016 Bonds, the proceeds of sale of the 2016 Bonds received by the Trustee shall be applied as follows:

(a) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Costs of Issuance Fund.

(b) The Trustee shall deposit \$\_\_\_\_\_, being the remaining amount of proceeds of the 2016 Bonds in the Refunding Fund.

**Section 3.03 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. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2016 Bonds 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 said fund. Each such Written Request of the Successor 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 which is six (6) months following the Closing Date with respect to the 2016 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund and the Costs of Issuance Fund shall be closed.

**Section 3.04 Refunding Fund.** There shall be established a separate and segregated fund to be known as the “2016 Refunding Fund” (the “Refunding Fund”). On the Closing Date with respect to the 2016 Bonds, the Trustee shall transfer the \$\_\_\_\_\_ on deposit in the Refunding Fund to the Escrow Bank for deposit pursuant to the Escrow Agreement. Upon making such transfer, the Trustee shall close the Refunding Fund.

**Section 3.05 Issuance of Parity Debt.** In addition to the 2016 Bonds, the Successor Agency may issue Parity Debt to refund any outstanding 2016 Bonds or other Parity Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) No Event of Default hereunder or an event of default under any Parity Debt Instrument shall have occurred and be continuing unless cured by the issuance of such Parity Debt;

(b) The Parity Debt shall be issued in compliance with Health and Safety Code section 34177.5;

(c) In the event the Successor Agency issues Parity Debt as Bonds pursuant to a Supplemental Indenture, the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(d) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

**Section 3.06 Issuance of Subordinate Debt.** Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2016 Bonds and the Bonds.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS

**Section 4.01 Security of Bonds; Equal Security.** Subject to the provisions of Section 4.02 and Section 6.06 hereof allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Bonds, are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2016 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Bonds, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, the parties hereto acknowledge that the Auditor-Controller of the County of Kings is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2016 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act). Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2016 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2016 Bonds and other Bonds.

The Debt Service Fund and any fund or account created under this Indenture, including amounts on deposit therein (including proceeds of the 2016 Bonds), are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2016 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture, and including amounts on deposit therein (including proceeds of the 2016 Bonds), and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture.

The parties acknowledge that Section 34177.5(g) of the Dissolution Act provides that the 2016 Bonds and Parity Debt are further secured by a pledge of, and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the Auditor Controller of the County of Kings related to the Successor Agency, which moneys, subject to the payment by the Auditor Controller of the County of Kings of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law, constitute Pledged Tax Revenues as defined herein.

In consideration of the acceptance of the 2016 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2016 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2016 Bonds and other 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 4.02 Redevelopment Obligation Retirement Fund; Special Fund; Deposit of Pledged Tax Revenues.** There is hereby established a special fund to be known as the “Special Fund” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period in accordance with Section 5.13 hereof in the Redevelopment Obligation Retirement Fund. Immediately upon such deposit, the Successor Agency shall transfer into the Special Fund all Pledged Tax Revenues allocable to the payment of the principal of and interest on 2016 Bonds and other Bonds for the current Bond Year. All Pledged Tax Revenues remaining in the Redevelopment Obligation Retirement Fund and in excess of the amount required to make the transfers required herein to the Special Fund and to make any other payments due hereunder, and except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder when applied by the Successor Agency in accordance with the Law, including to the payment of other obligations on a Recognized Obligation Payment Schedule payable after payment of the Bonds as required by Section 34183(a)(2) of the Dissolution Act.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or under a Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or in a Parity Debt Instrument.

**Section 4.03 Deposit of Amounts by Trustee.** There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2016 Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of [\_\_\_\_\_ 1, 2016], the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in

the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the 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 Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fifth (5th) Business Day preceding February 1 in each year beginning February 1, 2017, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next February 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next February 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the “Reserve Account” solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any Supplemental Indenture, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. The Reserve Requirement for the 2016 Bonds will be satisfied by the delivery of the Reserve Policy by the 2016 Insurer on the Closing Date with respect to the 2016 Bonds.

Except as provided in the preceding paragraph and as may be provided in a Supplemental Indenture, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount from the Special Fund sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

The amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2016 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available 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 so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement.

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the Interest Account, the Principal Account and the Sinking Account, 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 or under any Parity Debt Instrument, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each August 1 and February 1 by the Trustee and deposited in the Special Fund. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law.

The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues.

If the Reserve Requirement for a series of Bonds is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture with respect to such series of Bonds. If the Reserve Requirement for a series of Bonds is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be made in accordance with the terms of such Qualified Reserve Account Credit Instruments. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand alone basis.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the

Bonds in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee.

(d) **Redemption Account.** All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on Bonds to be redeemed pursuant to any optional redemption provision of a Supplemental Indenture on the date set for such redemption. Interest due on such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

**Section 4.04 Reserved.**

**Section 4.05 Provisions Relating to Insurance Policy.** Notwithstanding any other provision herein to the contrary, the provisions in this Section 4.05 shall apply so long as the Insurance Policy is in effect.

[TO COME FROM INSURER]

**Section 4.06 Provisions Relating to Reserve Policy.** Notwithstanding any other provision herein to the contrary, the provisions in this Section 4.06 shall apply so long as the Reserve Policy is in effect.

[TO COME FROM INSURER]

**ARTICLE V**

**OTHER COVENANTS OF THE SUCCESSOR AGENCY**

**Section 5.01 Punctual Payment.** The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

**Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances.** The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues (i) on a basis senior to the Bonds or (ii) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds or other Parity Debt, and then only if the requirements of Section 3.05 are met. The Successor Agency will not otherwise encumber, pledge or place any

charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

**Section 5.03 Extension of Payment.** The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

**Section 5.04 Payment of Claims.** The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

**Section 5.05 Books and Accounts; Financial Statements.** The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2016 Insurer, any other Insurer and the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, within two hundred and seventy (270) days after the close of each Fiscal Year so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2016 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. The Trustee shall have no obligation to review any financial statements provided to it by the Successor Agency.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2016 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2016 Insurer may reasonably request.

**Section 5.06 Protection of Security and Rights of Owners.** The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to Bonds, the Bonds shall be incontestable by the Successor Agency.

**Section 5.07 Payments of Taxes and Other Charges.** Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

**Section 5.08 Taxation of Leased Property.** All amounts derived by the Successor Agency pursuant to Section 33673 of the Law with respect to the lease of property for redevelopment shall be treated as Tax Revenues for all purposes of this Indenture.

**Section 5.09 Disposition of Property.** The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2016 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition.

**Section 5.10 Maintenance of Pledged Tax Revenues.** The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues as provided in the Dissolution Act.

**Section 5.11 Tax Covenants.** The Successor Agency shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest on the 2016 Bonds to become includable in gross income for federal income tax purposes. To that end, the Successor Agency hereby makes the following specific covenants:

(a) The Successor Agency hereby covenants that it shall not make or permit any use of the proceeds of the 2016 Bonds that may cause the 2016 Bonds or the Refunded Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The Successor Agency covenants that the proceeds of the 2016 Bonds will not be used as to cause the proceeds on the 2016 Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The Successor Agency covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2016 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

**Section 5.12 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 Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Section 5.13 Compliance with the Dissolution Act.** The Successor Agency shall comply with all of the requirements of the Law and 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:

- (i) scheduled debt service on the 2016 Bonds and any Parity Debt and any amount required under this Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and
- (ii) amounts due to any Insurer under an insurance or surety bond agreement,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the Auditor-Controller of the County of Kings to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Parity Debt is outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Auditor-Controller of the County of Kings that shall provide for the application of the first Pledged Tax Revenues allocated to the Successor Agency in each Bond Year to the payment of (i) all Annual Debt Service due on all Outstanding Parity Debt coming due during the applicable Bond Year as well as all amounts due and owing to the 2016 Insurer hereunder or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2016 Insurer hereunder). Without limiting the foregoing,

each Recognized Obligation Payment Schedule submitted by the Successor Agency shall demand the allocation to the Successor Agency, on each June 1, moneys from the Redevelopment Property Tax Trust Fund in the full amount of the Annual Debt Service coming due in the applicable Bond Year and, on each January 2, any remaining Annual Debt Service amount for such Bond Year that is not deposited into the Successor Agency's Redevelopment Obligation Retirement Fund from the June 1 Redevelopment Property Tax Trust Fund distribution.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2016 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2016 Bonds and other Parity Debt and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the application of the first Pledged Tax Revenues allocated to the Successor Agency in each Bond Year to the payment of one hundred percent (100%) of the Annual Debt Service for the applicable Bond Year.

**Section 5.14 Further Assurances.** The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

**Section 5.15 Last and Final Recognized Obligation Payment Schedule.** The Successor Agency shall provide the Trustee and each Insurer of Outstanding 2016 Bonds or Parity Debt with copies of (a) any Request for Last and Final ROPS Approval submitted by the Successor Agency and (b) any and all correspondence received from the Department of Finance regarding a Request for Last and Final ROPS Approval, upon receipt thereof. In the event that the Successor Agency and the Department of Finance schedule a meeting or telephone conference to discuss a written denial by the Department of Finance of a Request for Last and Final ROPS Approval, the Successor Agency shall timely notify the Trustee and each Insurer of Outstanding 2016 Bonds or Parity Debt of such meeting or telephone conference. The Trustee shall, and, if the subject of the meet and confer could impact the payment of or security for Insured Bonds or Policy Costs, each potentially affected Insurer shall, have the right to participate in the meeting or telephone conference either by appearance with the Successor Agency or through written submission as determined by the Trustee and such Insurer. In the event the Successor Agency receives a denial of a Request for Last and Final ROPS Approval, whether relating to Insured Bonds or not, and such denial could delay the receipt of tax revenues necessary to pay debt service, Policy Costs, or other amounts owing to an Insurer, the Successor Agency agrees to cooperate in good faith with the Insurer and the Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the Department of Finance relating to such event and to discuss such matters with the Department of Finance directly.

## ARTICLE VI

### THE TRUSTEE

#### Section 6.01 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, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise 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 man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Successor Agency may remove the Trustee at any time, but only with the consent of all Insurers, upon thirty days' prior written notice, 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 shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take 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, with a copy to any Insurer, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners and any Insurer 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, with notice of such appointment to be furnished to any Insurer.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (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 at the expense of the Successor Agency 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, acknowledging 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 cause either the predecessor Trustee or the successor Trustee to mail 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.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the any Insurer and the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Successor Agency agrees that, so long as any Bonds are Outstanding, the Trustee shall be: (i) a financial institution having a trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by federal or state authority; (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets; or (iii) an entity otherwise approved by all Insurers in writing. If such financial institution 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 financial institution 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 (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

**Section 6.02 Merger or Consolidation.** Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which 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 (f) of Section 6.01, 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 6.03 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 security for the Bonds or the tax status of interest thereon 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 misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees 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 with respect to any action taken or omitted to be taken by it 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.

(c) The Trustee shall not be liable for any action taken by it 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 misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party 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 may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Special Fund and the investment and application of moneys on deposit in the Special Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms

contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

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

(i) Before taking any action under Article VIII or this Article at the request of the Owners or any Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Insurer 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 willful misconduct in connection with any action so taken.

(j) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. 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 directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting

Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(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 6.04 Right to Rely on Documents and Opinions.** The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. 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 intentional 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 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 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 6.05 Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Successor Agency and any Insurer and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

**Section 6.06 Compensation and Indemnification.** The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the 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 (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

**Section 6.07 Deposit and Investment of Moneys in Funds.** Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account, the Redemption Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account; *provided, however,* that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

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 monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing computerized securities pricing services that may be available to it including those available through its regular accounting system.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Successor Agency at their present value (within the meaning of Section 148 of the Code). Investments on deposit in the Reserve Account shall be valued semiannually two (2) Business Days preceding each August 1 and February 1 at their Fair Market Value.

**Section 6.08 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 accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, on at least a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

**Section 6.09 Other Transactions with Agency.** The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

**Section 7.01 Amendment With And 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 the

consent of any Owners or any Insurer, to the extent permitted by law, but only 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, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers 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, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt in accordance with Section 3.05; 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 exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or

(e) to comply with amendments or supplements to the Dissolution Act; or

(f) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, 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 when the written consent of each Insurer (but only with respect to any Bonds insured by such Insurer) and 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 any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

**Section 7.02 Effect of Supplemental Indenture.** From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, 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 7.03 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, with the prior written consent of any Insurer, 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 Principal Corporate 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 at the expense of the Successor Agency 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 Principal Corporate Trust Office of the Trustee, without cost to such Owners.

**Section 7.04 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, provided further that written consent to such amendment shall first be obtained from any Insurer.

**Section 7.05 Opinion of Counsel.** Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the 2016 Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

**Section 7.06 Copy of Supplemental Indenture to S&P and Moody's.** The Successor Agency shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, maintain a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

**Section 8.01 Events of Default and Acceleration of Maturities.** The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the Successor Agency 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 thirty (30) days following receipt by the Successor Agency of written notice from the Trustee or any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) of the occurrence of such default, provided that if in the reasonable opinion

of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency (with the prior written consent of any Insurer) within such thirty (30) day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time as approved by any Insurer;

(c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Successor Agency seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Successor Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property; or

(d) The principal of any Parity Obligation shall be declared immediately due and payable under the terms of a Parity Debt Instrument.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (z) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to each Insurer and to the Successor Agency by telephone promptly confirmed 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 subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, 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, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, 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), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) 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 Trustee shall promptly give written notice of the foregoing to any Insurer and the Owners of all Bonds then Outstanding, and with the prior written approval of 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 then Outstanding, 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.

**Section 8.02 Application of Funds Upon Acceleration.** All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any 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 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the 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 (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the 2016 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding 2016 Bonds or Parity Debt (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 2016 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

**Section 8.03 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 8.04 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 Successor Agency, the Trustee and any Insurer 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 sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners 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 8.05 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 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 or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee 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 and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the Trustee 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 8.06 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 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, however, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

**Section 8.07 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 or 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.

**Section 8.08 Determination of Percentage of Bondowners.** Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01 Special Obligations.** The Bonds are special obligations of the Successor Agency secured by a pledge and lien as described in Section 4.01 hereof. The Bonds are not debts, liabilities or obligations of the City of Corcoran, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

**Section 9.02 Benefits Limited to Parties.** Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, each Insurer, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, such Insurers and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, each Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

**Section 9.03 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 9.04 Discharge of Indenture.**

(a) 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 or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or an escrow agent, 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 or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(iii) by irrevocably depositing with the Trustee or an escrow agent, in trust, Defeasance Obligations in such amount as an Independent 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 or the applicable portion thereof (including all principal, interest and redemption premiums) 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 2.03(c) 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 Pledged Tax Revenues and other amounts, funds and accounts described in Section 4.01 hereof and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency.

Notwithstanding anything herein to the contrary, to accomplish the defeasance of Insured Bonds, at least three Business Days prior to any defeasance, the Successor Agency shall deliver to any Insurer of such Insured Bonds draft copies of an escrow agreement, and opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of such Insured Bonds, and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to such Insurer and shall be in form and substance satisfactory to such Insurer. In addition, the escrow agreement shall provide that: a) any substitution of securities shall require the delivery of a verification report, an opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of such Insurer; and b) the Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of such Insurer.

(b) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due of the Bonds is paid by any Insurer, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, and the assignment and pledge of the Pledged Tax Revenues and other assets hereunder and all covenants, agreements and other obligations of the Successor Agency to the Bondowners so paid shall continue to exist and shall run to the benefit of such Insurer, and such Insurer shall be subrogated to the rights of such Bondowners, as applicable.

**Section 9.05 Execution of Documents and Proof of Ownership by Owners.** Any request, consent, 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 such Owner's 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 proved by the Registration Books.

Any demand, request, direction, consent, 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 and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

**Section 9.06 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. 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 9.07 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 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 9.08 Destruction of Cancelled Bonds.** Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon 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 9.09 Notices.** Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the Successor Agency:                      Successor Agency to the Redevelopment Agency of  
the City of Corcoran  
832 Whitley Avenue  
Corcoran, CA 93212  
Attention: Executive Director

If to the Trustee:                                      U.S. Bank National Association  
One California Street, Suite 2550  
San Francisco, CA 94111  
Attention: Corporate Trust Services

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

**Section 9.10 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 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer 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 Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

**Section 9.11 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 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 Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

**Section 9.12 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 9.13 Governing Law.** This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN has caused this Indenture to be signed in its name by its Chairman, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF  
CORCORAN

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**(FORM OF 2016 BOND)**

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF AN INVESTOR LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA**  
**STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE**  
**REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2016**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP:</u>
	February 1, _____		

REGISTERED OWNER:        CEDE & CO.

PRINCIPAL SUM:            DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN, a public entity duly 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 (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this 2016 Bond, unless (i) this 2016 Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this 2016 Bond is authenticated on or before July 15, 2016, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this 2016 Bond, interest is in default on this 2016 Bond, this 2016 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this 2016 Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing August 1, 2016 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this 2016 Bond at

the corporate trust office (the “Principal Corporate Trust Office”) of U.S. Bank National Association, in San Francisco, California, as trustee (the “Trustee”). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the 2016 Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This 2016 Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Redevelopment Agency of the City of Corcoran Tax Allocation Refunding Bonds, Series 2016” (the “2016 Bonds”), of an aggregate principal amount of \$\_\_\_\_\_, 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, if any, and other provisions) and all issued pursuant to the provisions 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 (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law and Community Development Commission Law, constituting Parts 1 and 1.7 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2016, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the 2016 Bonds.

The 2016 Bonds are being issued in the form of registered 2016 Bonds without coupons. Additional Parity Debt may be issued on a parity with the 2016 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 2016 Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the 2016 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 2016 Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The 2016 Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the 2016 Bonds.

The 2016 Bonds are special obligations of the Successor Agency and this 2016 Bond and the interest hereon and on all other 2016 Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of Kings, subject to the payment of the County’s administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the County of Kings Auditor-Controller in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the 2016 Bonds and any additional Bonds (as defined in the Indenture).

The Bonds are subject to optional redemption and mandatory redemption from mandatory sinking fund payments 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.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

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 2016 Bonds are issuable as fully registered 2016 Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, 2016 Bonds may be exchanged for a like aggregate principal amount of 2016 Bonds of other authorized denominations and of the same series, tenor and maturity.

This 2016 Bond is transferable 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 to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered an Investor Letter (in the form attached to the Indenture as Exhibit B) to the Successor Agency.** Upon registration of such transfer a new fully registered 2016 Bond or 2016 Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any 2016 Bond during the

fifteen (15) days prior to the date established for the selection of 2016 Bonds for redemption, if any, or (b) any 2016 Bond selected for redemption, if any.

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 2016 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 (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 herein of any Bond without the express written consent of the respective Insurer and the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Issuer without its prior written consent.

Unless this 2016 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any 2016 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This 2016 Bond is not a debt, liability or obligation of the City of Corcoran, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this 2016 Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The 2016 Bonds do not constitute an indebtedness in contravention 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 2016 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 2016 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 2016 Bonds permitted to be issued under the Indenture.

This 2016 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 Redevelopment Agency of the City of Corcoran has caused this 2016 Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY  
OF CORCORAN**

By: \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary

**STATEMENT OF INSURANCE**

[TO COME FROM INSURER]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the 2016 Bonds described in the within-mentioned Indenture.

Authentication Date: \_\_\_\_\_, 2016

U.S. BANK NATIONAL ASSOCIATION ,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

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(Name, Address and Tax Identification or Social Security Number of Assignee)  
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney,  
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signatures Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor.

\_\_\_\_\_  
Note: The signatures(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.

**EXHIBIT B**

\$ \_\_\_\_\_

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN  
TAX ALLOCATION REFUNDING BONDS, SERIES 2016**

**FORM OF INVESTOR LETTER**

\_\_\_\_\_, 2016

Successor Agency to the Redevelopment Agency of the City of Corcoran  
Corcoran, California

U.S. Bank National Association,  
San Francisco, California

Nossaman LLP  
Irvine, California

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges receipt of \$\_\_\_\_\_ in aggregate principal amount of the above-captioned bonds (the “Bonds”), dated \_\_\_\_\_, 2016 in fully registered form and bearing interest from the date thereof.

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. We are acquiring the Bonds for our own account and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

3. As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Successor Agency to the Redevelopment Agency of the City of Corcoran (the “Issuer”) and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

4. We understand that the Bonds have not been registered with any federal or state securities agency or commission.

5. We acknowledge that the Bonds are transferable upon presentation to the bond registrar and are transferable in authorized denominations as provided in the Indenture provided that:

(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof is transferring the Bonds only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially in the form of this letter and who qualifies as: a qualified institutional buyer pursuant to Rule 144A of the Securities Act of 1933, as amended (the “1933 Securities Act”);

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer’s finances without the prior review and written consent of the Issuer, in the Issuer’s sole discretion.

6. The Investor certifies that it is a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act.

[INVESTOR]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## 2004 ESCROW AGREEMENT

THIS 2004 ESCROW AGREEMENT dated as of \_\_\_\_\_, 2016 (the "Agreement"), by and between the Successor Agency to the Redevelopment Agency of the City of Corcoran (the "Agency") and U.S. Bank National Association, as escrow bank (the "Escrow Bank"), is entered into in accordance with a Resolution of the Agency, adopted on February \_\_, 2016 and that certain Indenture of Trust dated as of October 1, 2004 (the "Indenture"), by and between the dissolved Redevelopment Agency of the City of Corcoran (the "Former Agency") and U.S. Bank National Association (the "Prior Trustee"), to refund all of the outstanding Redevelopment Agency of the City of Corcoran Corcoran Industrial Sector Redevelopment Project Tax Allocation Bonds, Series 2004 (the "Refunded Bonds").

### WITNESSETH:

WHEREAS, the Former Agency previously issued the Refunded Bonds pursuant to the Indenture;

WHEREAS, the Agency has determined that a portion of the proceeds of the \$\_\_\_\_\_ aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of Corcoran Tax Allocation Refunding Bonds, Series 2016 (the "2016 Bonds") issued pursuant to the Indenture of Trust, dated as of \_\_\_\_\_, 2016, by and between the Agency and U.S. Bank National Association, as trustee, will be used to provide the funds to redeem on \_\_\_\_\_, 2016 the principal of the Refunded Bonds maturing after February 1, 2016 without premium, along with interest accrued to such date (the "Redemption Price"); and

WHEREAS, the moneys deposited with the Escrow Agent will be sufficient, along with certain other moneys deposited with the Escrow Agent at the same time pursuant to this Agreement, to redeem and discharge the Refunded Bonds;

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

**SECTION 1. Deposit of Moneys.** The Agency hereby instructs the Escrow Agent to deposit \$\_\_\_\_\_ received from the Trustee from the net proceeds of the sale of the 2016 Bonds in the Escrow Fund established hereunder. The Escrow Agent shall hold all such amounts in cash in an irrevocable escrow separate and apart from other funds of the Agency and the Escrow Agent in a fund hereby created and established to be known as the "Escrow Fund" and to be applied solely as provided in this Agreement.

**SECTION 2. Sufficiency of Moneys.** The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to deposit such moneys in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of \_\_\_\_\_ (the "Verification Agent"), that the cash on deposit in the Escrow Fund will be sufficient to pay the Redemption Price of the Refunded Bonds maturing on and after February 1, 2016 on \_\_\_\_\_, 2016.

**SECTION 3. Payment of Refunded Bonds.**

(a) **Payment.** From the moneys on deposit in the Escrow Fund, the Escrow Agent shall, on \_\_\_\_\_, 2016, apply the amounts on deposit in the Escrow Fund to pay the

Redemption Price of the Refunded Bonds maturing after February 1, 2016. Upon the complete redemption of the Refunded Bonds, the Escrow Agent shall close the Escrow Fund and transfer any remaining proceeds therein to the Agency.

(b) Irrevocable Instructions to Provide Notice. The form of the notice of redemption required to be mailed pursuant to Section 6.3 of the Indenture was mailed by the Trustee on \_\_\_\_\_, 2016. The Agency hereby irrevocably instructs the Escrow Agent to mail a notice of defeasance of the Refunded Bonds in the form attached hereto as Exhibit A.

(c) Unclaimed Moneys. Any moneys which remain unclaimed for two years after \_\_\_\_\_, 2016 shall be repaid by the Escrow Agent to the Agency.

(d) Priority of Payments. The owners of the Refunded Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the Indenture, upon deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 hereof all obligations of the Agency under the Indenture with respect to the Refunded Bonds shall cease, terminate and become void except as set forth in the Indenture.

SECTION 4. Application of Certain Terms of the Indenture. All of the terms of the Indenture relating to the making of payments of principal of and interest on the Refunded Bonds and relating to the exchange or transfer of the Refunded Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in [Article IX] of the Indenture relating to the resignation and removal and merger of the Trustee under the Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 5. Performance of Duties. The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 6. Escrow Agent's Authority to Make Investments. The Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys held hereunder.

SECTION 7. Indemnity. The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the

Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees or the willful breach by the Escrow Agent of the terms of this Agreement. In no event shall the Agency or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

**SECTION 8. Responsibilities of Escrow Agent.** The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the moneys in the Escrow Fund to pay or redeem the Refunded Bonds, as the case may be, or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Agency, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the Refunded Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Agency.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent 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 Agency elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

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

SECTION 9. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the Agency; provided, however, that the Agency and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, the Refunding Law (as defined in the Indenture), or the Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 10. [Reserved.]

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(c) of this Agreement.

SECTION 12. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the Agency and any other reasonable fees and expenses of the Escrow Agent approved by the Agency; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Agreement.

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

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

SECTION 15. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 16. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the Agency in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 17. Notice to District and Escrow Agent. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at One California Street, Suite 2550, San Francisco, CA 94111, Attention: Corporate Trust Services. Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Agency at 832 Whitley Avenue, Corcoran, California 93212, Attention: Executive Director (or such other address as may have been filed in writing by the Agency with the Escrow Agent).

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and attested as of the date first above written.

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY  
OF CORCORAN

By: \_\_\_\_\_  
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE OF DEFEASANCE**

**REDEVELOPMENT AGENCY OF THE CITY OF CORCORAN  
CORCORAN INDUSTRIAL SECTOR REDEVELOPMENT PROJECT  
TAX ALLOCATION BONDS, SERIES 2004**

BASE CUSIP<sup>†</sup> NO. \_\_\_\_\_

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (as further defined below, the “Refunded Bonds”), that the Successor Agency to the Redevelopment Agency of the City of Corcoran (the “Agency”) has deposited with U.S. Bank National Association, as trustee (the “Trustee”) under that certain Indenture of Trust dated as of October 1, 2004 (the “Indenture”), cash which will provide moneys sufficient to redeem on \_\_\_\_\_, 2016, the principal of the Refunded Bonds maturing after February 1, 2016, along with interest accrued to such date.

The Refunded Bonds to be defeased are as follows:

<i>CUSIP<sup>†</sup></i>	<i>Maturity (February 1)</i>	<i>Rate</i>	<i>Amount</i>
	2017	4.300%	\$ 240,000
	2018	4.400	250,000
	2019	4.500	260,000
	2020	4.600	275,000
	2021	4.650	285,000
	2022	4.700	300,000
	2028	4.900	475,000
	2034	5.000	625,000

In accordance with the Indenture, the Refunded Bonds are deemed to have been paid in accordance with Section [11.1] thereof and the obligations of the Agency under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated this \_\_\_\_ day of \_\_\_\_\_, 2016.

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<sup>†</sup> Copyright 2016, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Agency, the City of Corcoran nor the Trustee guarantees the accuracy of the CUSIP data.