Successor Agency to the Turlock Redevelopment Agency Meeting Agenda

JUNE 14, 2016
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Chairman
Gary Soiseth

Agency Members
William DeHart, Jr. **Steven Nascimento**
Matthew Jacob **Amy Bublak**

Executive Director
Gary R. Hampton
Secretary
Kellie E. Weaver
Agency Attorney
Phaedra A. Norton

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Successor Agency to the Turlock Redevelopment Agency meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Successor Agency to the Turlock Redevelopment Agency on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the Agency's consideration of the item.

AGENDA PACKETS: Prior to the Successor Agency to the Turlock Redevelopment Agency meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Agency after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. CALL TO ORDER

2. CITIZEN PARTICIPATION:

This is the time set aside for members of the public to directly address the Successor Agency to the Turlock Redevelopment Agency on any item of interest to the public, before or during the Agency's consideration of the item, that is within the subject matter jurisdiction of the Agency. You will be allowed five (5) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Agency addresses the matter.

No action or discussion may be undertaken on any item not appearing on the posted agenda, except that Agency may refer the matter to staff or request it be placed on a future agenda.

3. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS

4. CONSENT CALENDAR:

Information concerning the consent items listed hereinbelow has been forwarded to each Agency Member prior to this meeting for study. Unless the Chairman, an Agency Member or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Agency. The action taken by the Agency in approving the consent items is set forth in the explanation of the individual items.

A. *Motion*: Accepting Minutes of the April 26, 2016 Meeting of the Successor Agency to the Turlock Redevelopment Agency

5. PUBLIC HEARINGS: None

6. SCHEDULED MATTERS:

A. Request to approve the Successor Agency's issuance of Tax Allocation Refunding Bonds to Repay Tax Allocation Loans Incurred by the Former Turlock Redevelopment Agency in 1999, 2006 and 2011 and Take Related Actions. *(Lorenzi)*

Recommended Action:
Resolution: Approving the Successor Agency's issuance of Tax Allocation Refunding Bonds to Repay Tax Allocation Loans Incurred by the Former Turlock Redevelopment Agency in 1999, 2006 and 2011 and Taking Related Actions

7. ADJOURNMENT

4A

APRIL 26, 2016
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

MINUTES
Regular Meeting
Successor Agency to the
Turlock Redevelopment Agency

DRAFT

**and via teleconference:
Le Meridien Arlington
1121 19th Street North
Arlington, VA 22209
Telephone No. (703) 351-9170

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1. **CALL TO ORDER** – Vice Chair Bublak called the meeting to order at 7:26 p.m.
   PRESENT: Agency Members Bill DeHart, Steven Nascimento, Vice Chair Amy Bublak and Chairman Gary Soiseth (*by teleconference*)
   ABSENT: Agency Member Matthew Jacob

2. **CITIZEN PARTICIPATION:** None

3. **DECLARATION OF CONFLICT OF INTEREST AND DISQUALIFICATIONS**: None

4. **CONSENT CALENDAR**

Action: Motion by Agency Member DeHart, seconded by Agency Member Nascimento, to adopt the consent calendar. Motion carried 4/0, with Agency Member Jacob absent, by the following vote:

Agency Member DeHart	Agency Member Nascimento	Vice Chair Bublak	Agency Member Jacob	Chairman Soiseth
Yes	Yes	Yes	Absent	Yes

A. *Motion*: Accepting Minutes of the January 26, 2016 Meeting of the Successor Agency to the Turlock Redevelopment Agency

5. **PUBLIC HEARINGS:** None

6. **SCHEDULED MATTERS:**

A. Sr. Accountant Marie Lorenzi presented the staff report on the request to direct staff to initiate the refunding (refinancing) process for the following outstanding Successor Agency Debt Obligations: (1) 1999 Revenue Bonds, (2) 2006 Tax Allocation Revenue Bonds, and (3) 2011 Tax Allocation Revenue Bonds.

Agency and staff discussion included bond insurance and fixed/variable bond rates.

Vice Chair Bublak asked for public comment. No one spoke. Vice Chair Bublak closed public comment.

DRAFT

DRAFT

Action: **Resolution No. SA-RDA-2016-003** Directing staff to initiate the refunding (refinancing) process for the following outstanding Successor Agency Debt Obligations: (1) 1999 Revenue Bonds, (2) 2006 Tax Allocation Revenue Bonds, and (3) 2011 Tax Allocation Revenue Bonds was introduced by Agency Member DeHart, seconded by Agency Member Nascimento, and carried 4/0, with Agency Member Jacob absent, by the following vote:

Agency Member DeHart	Agency Member Nascimento	Vice Chair Bublak	Agency Member Jacob	Chairman Soiseth
Yes	Yes	Yes	Absent	Yes

7. ADJOURNMENT

Motion by Agency Member DeHart, seconded by Agency Member Nascimento, to adjourn the meeting at 7:38 p.m.

RESPECTFULLY SUBMITTED

_____

Kellie E. Weaver
City Clerk

DRAFT

6A

Successor Agency to the Turlock Redevelopment Agency Synopsis

June 14, 2016

From: Kellie Jacobs-Hunter, Administrative Services Director

Prepared by: Marie Lorenzi, Senior Accountant

Agendized by: Gary R. Hampton, Executive Director

1. ACTION RECOMMENDED:

Resolution: Approving the Successor Agency's issuance of Tax Allocation Refunding Bonds to Repay Tax Allocation Loans Incurred by the Former Turlock Redevelopment Agency in 1999, 2006 and 2011 and Taking Related Actions

2. DISCUSSION OF ISSUE:

At its meeting on April 26, 2016, the Successor Agency Board directed staff to initiate the refunding (refinancing) process for the outstanding 1999 Revenue Bonds (the "1999 Bonds"), the 2006 Tax Allocation Revenue Bonds (the "2006 Bonds"), and the 2011 Tax Allocation Revenue Bonds (the "2011 Bonds"), (collectively, the "Prior Bonds"). As a result of the dissolution of redevelopment agencies in 2012, the Successor Agency is now responsible for the repayment of the Prior Bonds.

By issuing the proposed 2016 Tax Allocation Refunding Bonds (the "2016 Bonds"), the Successor Agency can refund (repay) the Prior Bonds with the net proceeds from the issuance of the 2016 Bonds, and generate a total debt service savings of approximately $14 million (net present value of approximately $7 million) based on current estimates. The final maturity of the 2016 Bonds will not extend beyond the original final maturity date of the Prior Bonds. Attached is a report provided by the Successor Agency's Financial Advisor, showing the debt service savings for the proposed refunding, based on estimates as of June 2, 2016.

The annual debt service savings from this refunding will become moneys available for payment of other Enforceable Obligations, as approved on the Recognized Obligation Payment Schedule ("ROPS"), or if not needed for ROPS-approved obligations, for disbursement to the affected taxing entities, including the county, school districts, and the City's General Fund through the semi-annual Redevelopment Property Tax Trust Fund ("RPTTF") distribution process.

OK for Agenda

gm

Dissolution Law provides that the 2016 Bonds may only be issued after the Oversight Board has adopted a Resolution approving the Successor Agency's Resolution approving the issuance of the 2016 Bonds. Staff has scheduled a meeting of the Oversight Board for June 15, 2016 to take up the bond refunding matter. Assuming that both the Successor Agency Board and Oversight Board approve their respective Resolutions, staff will forward the Oversight Board's approved Resolution to the California State Department of Finance ("DOF") for their consideration. By law, DOF is allowed an initial 5 business days to review the Resolution. At their option, they may decide to extend this review period another 60 days for a total review period of 65+ days. Therefore, assuming that the adopted Oversight Board Resolution is submitted to DOF on June 15, 2016, and DOF decides to undertake review, they will have until approximately August 22 to complete their review.

Per the attached Resolution, the Successor Agency is asked to consider approval of the form of the Indenture. The Indenture defines the payment terms and conditions of the 2016 Bonds, and establishes the funds and accounts that will be held by the Trustee on behalf of the Successor Agency. The Indenture will be completed with final interest rates and terms, once the 2016 Bonds are priced in the bond market.

Other documents necessary for the issuance of the 2016 Bonds, including the Preliminary Official Statement, Continuing Disclosure Agreement and Bond Purchase Agreement will be presented to the Successor Agency for consideration at a future meeting, closer to the pricing date of the 2016 Bonds.

The Resolution currently before the Successor Agency Board also affirms the selection of the Finance Team, with Stifel, Nicolaus & Company as Underwriter; Richards, Watson & Gershon as Bond Counsel and Disclosure Counsel; and Urban Futures, Inc. as Financial (Municipal) Advisor.

3. BASIS FOR RECOMMENDATION:

Staff is recommending approval of the attached Resolution by the Successor Agency Board so that staff can proceed to present the refunding to the Oversight Board, and – assuming their approval – send the Indenture to DOF for their consideration. This process is required by dissolution law in order for the Successor Agency to proceed with refunding the outstanding bond issuances and achieving savings.

As noted when the concept was presented to the Successor Agency board in April, the interest rate environment is favorable for a refunding and staff currently projects average annual savings of over $300,000.

4. FISCAL IMPACT / BUDGET AMENDMENT:

The projected savings realized by the Successor Agency will be in the form of lower debt service payments (less interest expense). The City's General Fund may realize additional revenue in 2 to 3 years at a time when the Successor Agency's annual ROPS obligations are less than available revenue. While staff anticipates in excess of $300,000 in average annual savings from the refunding, the actual savings will not be known until the process nears completion and the interest rates at that time are known.

5. EXECUTIVE DIRECTOR'S COMMENTS:

Recommend approval

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

The Successor Agency Board could decide not to proceed with this refunding at this time.

UFI URBAN FUTURES | Incorporated

June 3, 2016

Marie Lorenzi, Senior Accountant
City of Turlock
156 S. Broadway
Turlock, CA 95380

Re: Refunding of certain outstanding Tax Allocation Bonds to achieve debt service savings

Financial Advisor's Report on Refunding Savings

A. $4,970,000 Turlock Public Financing Authority
Revenue Bonds, Series 1999

1. Total remaining principal and interest payments:	$ 2,978,616.25
2. Estimated principal and interest payments on pro rata share of 2016 Tax Allocation Refunding Bond issue:	$ 2,258,560.83
3. Estimated debt service savings by issuing 2016 Bonds:	$ 720,055.42

B. $25,440,000 Turlock Public Financing Authority
Tax Allocation Revenue Bonds, Series 2006

1. Total remaining principal and interest payments:	$ 35,991,020.69
2. Estimated principal and interest payments on pro rata share of 2016 Tax Allocation Refunding Bond issue:	$ 28,518,227.71
3. Estimated debt service savings by issuing 2016 Bonds:	$ 7,472,792.98

C. $15,300,000 Turlock Public Financing Authority
Tax Allocation Revenue Bonds, Series 2011

1. Total remaining principal and interest payments:	$ 32,391,165.64
2. Estimated principal and interest payments on pro rata share of 2016 Tax Allocation Refunding Bond issue:	$ 26,138,681.88
3. Estimated debt service savings by issuing 2016 Bonds:	$ 6,252,483.76

3111 N. Tustin, Suite 230 Orange, CA 92865-1753 • (714) 283-9334 Business • (714) 283-5465 FAX
E-Mail: financeadmin@urbanfuturesinc.com

D. **Combined Estimated Debt Service Savings:** **$ 14,445,332.16**

Urban Futures, Inc.

Douglas P. Anderson, Managing Principal

Successor Agency to the Turlock Redevelopment Agency

Exhibit A

2016 Tax Allocation Refunding Bonds (Refunding the 1999, 2006, and 2011 Bonds)
(Est.) Debt Service Savings

Sept. 1st	1999 Bonds Current Debt Service	Pro-rata share of 2016 Bonds Debt Service	**1999 Bonds (est.) Debt Service Savings**	2006 Bonds Current Debt Service	Pro-rata share of 2016 Bonds Debt Service	**2006 Bonds (est.) Debt Service Savings**	2011 Bonds Current Debt Service	Pro-rata share of 2016 Bonds Debt Service	**2011 Bonds (est.) Debt Service Savings**	**(est.) Total Debt Service Savings from 2016 Bonds**
2016	274,173.75	274,173.75	-	1,017,933.13	1,017,933.13	-	802,634.38	802,634.38	-	-
2017	336,902.50	247,337.08	89,565.42	1,546,266.26	1,216,244.58	330,021.68	1,326,268.76	1,064,297.50	261,971.26	681,558.36
2018	334,912.50	246,350.00	88,562.50	1,545,866.26	1,214,650.00	331,216.26	1,325,412.50	1,065,700.00	259,712.50	679,491.26
2019	337,377.50	248,950.00	88,427.50	1,544,666.26	1,212,850.00	331,816.26	1,322,587.50	1,060,100.00	262,487.50	682,731.26
2020	339,025.00	246,150.00	92,875.00	1,546,566.26	1,215,450.00	331,116.26	1,323,087.50	1,064,100.00	258,987.50	682,978.76
2021	339,855.00	248,150.00	91,705.00	1,542,128.76	1,212,250.00	329,878.76	1,326,525.00	1,062,300.00	264,225.00	685,808.76
2022	339,867.50	249,750.00	90,117.50	1,546,543.76	1,218,450.00	328,093.76	1,322,475.00	1,059,900.00	262,575.00	680,786.26
2023	339,062.50	250,950.00	88,112.50	1,544,200.00	1,213,650.00	330,550.00	1,215,175.00	976,900.00	238,275.00	656,937.50
2024	337,440.00	246,750.00	90,690.00	1,545,600.00	1,213,250.00	332,350.00	1,218,475.00	976,500.00	241,975.00	665,015.00
2025				1,885,000.00	1,481,750.00	403,250.00	1,095,025.00	876,500.00	218,525.00	621,775.00
2026				1,882,500.00	1,480,500.00	402,000.00	1,093,575.00	875,500.00	218,075.00	620,075.00
2027				1,882,500.00	1,482,250.00	400,250.00	1,095,450.00	878,750.00	216,700.00	616,950.00
2028				1,884,750.00	1,481,750.00	403,000.00	1,095,875.00	881,000.00	214,875.00	617,875.00
2029				1,884,000.00	1,484,000.00	400,000.00	1,094,850.00	877,250.00	217,600.00	617,600.00
2030				1,885,250.00	1,483,750.00	401,500.00	1,092,375.00	877,750.00	214,625.00	616,125.00
2031				1,883,250.00	1,481,000.00	402,250.00	1,092,625.00	877,250.00	215,375.00	617,625.00
2032				1,883,000.00	1,480,750.00	402,250.00	1,091,000.00	875,750.00	215,250.00	617,500.00
2033				1,884,250.00	1,482,750.00	401,500.00	1,092,500.00	878,250.00	214,250.00	615,750.00
2034				1,886,750.00	1,481,750.00	405,000.00	1,111,750.00	889,500.00	222,250.00	627,250.00
2035				1,885,250.00	1,482,750.00	402,500.00	1,397,250.00	1,119,000.00	278,250.00	680,750.00
2036				1,884,750.00	1,480,500.00	404,250.00	1,393,750.00	1,115,750.00	278,000.00	682,250.00
2037							3,276,125.00	2,625,750.00	650,375.00	650,375.00
2038							3,272,625.00	2,623,250.00	649,375.00	649,375.00
2039							913,750.00	735,000.00	178,750.00	178,750.00
Totals	2,978,616.25	2,258,560.83	720,055.42	35,991,020.69	28,518,227.71	7,472,792.98	32,391,165.64	26,138,681.88	6,252,483.76	14,445,332.16

BEFORE THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

IN THE MATTER OF APPROVING THE SUCCESSOR AGENCY'S ISSUANCE OF TAX ALLOCATION REFUNDING BONDS TO REPAY TAX ALLOCATION LOANS INCURRED BY THE FORMER REDEVELOPMENT AGENCY IN 1999, 2006 AND 2011 AND TAKING RELATED ACTIONS	}	**RESOLUTION NO. SA-RDA-2016-**

WHEREAS, the former Turlock Redevelopment Agency (the "Former Agency") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law set forth in Section 33000 et seq. of the Health and Safety Code ("HSC") of the State of California (the "State"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as the Turlock Redevelopment Project (the "Project Area"); and

WHEREAS, the Former Agency and the City of Turlock (the "City") executed and delivered a Joint Exercise of Powers Agreement, dated as of December 15, 1998 (the "Joint Powers Agreement"), which Joint Powers Agreement created and established the Turlock Public Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 (commencing Section 6584) of the Government Code of the State and the Joint Powers Agreement, the Authority is authorized to issue bonds to assist with the financing costs of certain public capital improvements; and

WHEREAS, to finance redevelopment projects benefiting the Project Area, the Former Agency entered into the following three loan agreements:

(i) the Loan Agreement, dated as of March 1, 1999, by and among the Former Agency, the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee, pursuant to which the Former Agency incurred a loan (the "1999 Loan") and made a pledge of property tax increment revenues to the repayment of the 1999 Loan; and

(ii) the Loan Agreement, dated as of August 1, 2006, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2006 Loan") and made a pledge of property tax increment revenues to the repayment of the 2006 Loan; and

(iii) the Loan Agreement, dated as of February 1, 2011, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2011 Loan") and made a pledge of property tax increment revenues to the repayment of the 2011 Loan;

WHEREAS, to provide funding for the 1999 Loan, the 2006 Loan and the 2011 Loan (collectively, the "Agency Loans"), the Authority issued three series of bonds, in 1999, 2006 and 2011 (collectively, the "Authority Bonds"); and

WHEREAS, as of the date of this Resolution, there remains outstanding $2,355,000 in principal amount of the 1999 Loan, $21,905,000 in principal amount of the 2006 Loan and $14,480,000 in principal amount of the 2011 Loan; and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the State Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011)*, the Former Agency was dissolved as of February 1, 2012, the Successor Agency of the Turlock Redevelopment Agency (the "Successor Agency") was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, pursuant to HSC Section 34177.5(a), the Successor Agency is authorized to issue bonds (the "Refunding Bonds") to refund the Agency Loans, to provide savings to the Successor Agency, provided that:

(i) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the Agency Loans, plus the remaining principal of the Agency Loans to be refunded; and

(ii) the principal amount of the Refunding Bonds shall not exceed the amount required to defease the refunded Agency Loans, to establish customary debt service reserves and pay related costs of issuance; and

WHEREAS, the Successor Agency desires to issue Refunding Bonds to refund the outstanding Agency Loans to achieve debt service savings; and

WHEREAS, the Refunding Bonds will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law"); and

WHEREAS, the Refunding Bonds will be issued in one or more series pursuant to, and will be secured by, a pledge of property tax revenues as provided in, an indenture (the "Indenture"), substantially in the form attached to this Resolution as Exhibit A; and

WHEREAS, proceeds from the sale of the Refunding Bonds will be used to: (i) effect the defeasance and discharge of the Agency Loans (which may be through the establishment of refunding escrows), (ii) make a deposit into a debt service reserve fund, if such deposit is

required pursuant to the terms of the Indenture, and (iii) pay costs of issuance of the Refunding Bonds; and

WHEREAS, there has been presented to this Board an analysis of the potential debt service savings that will accrue as a result of issuance of the Refunding Bonds; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the issuance of the Refunding Bonds is subject to the Oversight Board's prior approval.

NOW, THEREFORE BE IT RESOLVED, the Board of Directors of the Successor Agency to the Turlock Redevelopment Agency hereby finds, determines, resolves, and orders as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The issuance of the Refunding Bonds in an aggregate principal amount not exceeding $41,000,000, pursuant to the provisions of HSC Section 34177.5, the Refunding Bond Law and the Indenture, as supplemented by the Supplemental Indenture, is hereby approved and authorized.

Section 3. The Indenture, in substantially the form attached hereto as Exhibit A, is hereby approved. Each of the Chair of this Board, the Vice Chair of this Board and the Executive Director of the Successor Agency (each, an Authorized Officer"), individually, is hereby authorized to execute and deliver, for and in the name of the Successor Agency, the Indenture in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 4. The Oversight Board is hereby requested to approve the Successor Agency's issuance of the Refunding Bonds. The Secretary of the Successor Agency is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

Section 5. Each of the Executive Director of the Successor Agency and the Administrative Services Director of the City, who is appointed the Finance Director of the Successor Agency, is hereby authorized to negotiate the terms of a bond purchase agreement (the "Bond Purchase Agreement"), by and between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, as the underwriter, regarding the sale of the Refunding Bonds; provided, that the Bond Purchase Agreement shall be subject to the approval of this Board, in substantial final form, before the execution and delivery thereof.

Section 6. This Board hereby approves and affirms the engagement of Urban Futures, Inc. to act as financial advisor to the Successor Agency, and Richards, Watson & Gershon, A Professional Corporation, to act as bond counsel and disclosure counsel, with respect to the issuance of the Refunding Bonds.

Section 7. The members of this Board and the Authorized Officers, and all other officers of the Successor Agency, are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things (including, but not limited to, obtaining bond insurance or other types of credit enhancement, engagement of a verification agent for the defeasance escrow) which they may deem necessary or proper to effectuate the purposes of this Resolution

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Successor Agency to the Turlock Redevelopment Agency this 14th day of June, 2016, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

EXHIBIT A

Indenture
(in substantial final form)

(see attached)

SUCCESSOR AGENCY TO THE
TURLOCK REDEVELOPMENT AGENCY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

INDENTURE

Dated as of _____, 2016

Relating to

Successor Agency to the Turlock Redevelopment Agency
Tax Allocation Refunding Bonds
Series 2016

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APPENDIX A FORM OF BOND
APPENDIX B FORM OF COSTS OF ISSUANCE FUND REQUISITION

INDENTURE

This Indenture (this "Indenture"), dated as of _____, 2016, is made and entered into by and between the Successor Agency to the Turlock Redevelopment Agency, a public body, organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), as the successor entity to the Turlock Redevelopment Agency (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");

RECITALS

A. The Former Agency was a redevelopment agency formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the Health and Safety Code of the State of California ("HSC").

B. The Former Agency undertook a program to redevelop a project area known as the Turlock Redevelopment Project (the "Project Area").

C. The Former Agency and the City of Turlock (the "City") executed and delivered a Joint Exercise of Powers Agreement, dated as of December 15, 1998 (the "Joint Powers Agreement"), which Joint Powers Agreement created and established the Turlock Public Financing Authority (the "Authority").

D. Pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 (commencing Section 6584) of the Government Code of the State and the Joint Powers Agreement, the Authority is authorized to issue bonds to assist with the financing costs of certain public capital improvements.

E. To finance redevelopment projects benefiting the Project Area, the Former Agency entered into the following three loan agreements:

(i) the Loan Agreement, dated as of March 1, 1999, by and among the Former Agency, the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee, pursuant to which the Former Agency incurred a loan (the "1999 Loan") and made a pledge of property tax increment revenues to the repayment of the 1999 Loan; and

(ii) the Loan Agreement, dated as of August 1, 2006, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2006 Loan") and made a pledge of property tax increment revenues to the repayment of the 2006 Loan; and

(iii) the Loan Agreement, dated as of February 1, 2011, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2011 Loan") and made a pledge of property tax increment revenues to the repayment of the 2011 Loan.

F. To provide funding for the 1999 Loan, the 2006 Loan and the 2011 Loan (collectively, the "Agency Loans"), the Authority issued three series of bonds, in 1999, 2006 and 2011.

G. Pursuant to AB X1 26 (enacted in June 2011), and the State Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011)*, the Former Agency was dissolved as of February 1, 2012, the Successor Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established.

H. The Successor Agency is authorized to issue bonds (the "Bonds") to refund the Agency Loans, subject to the conditions precedent set forth in HSC Section 34177.5.

I. The Successor Agency desires to issue the Bonds to refund all of the outstanding principal amount of the Agency Loans.

J. The Bonds will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

K. Pursuant to HSC Section 34177.5 and 34180, the issuance of the Refunding Bonds is subject to the Oversight Board's prior approval and, pursuant to HSC Section 34179(h), all Oversight Board actions are subject to review by the California State Department of Finance (the "DOF").

L. On _____, 2016, the Oversight Board adopted its Resolution No. _____, approving the issuance of the Bonds.

M. The DOF has issued a letter dated _____, 2016, confirming the DOF's approval of Resolution No. _____.

N. The Successor Agency has determined that the Refunding Bonds will be in the form of its Tax Allocation Refunding Bonds, Series 2016 (the "Bonds") to be issued pursuant to this Indenture.

O. The Successor Agency has determined that all acts and things have been done and performed which are necessary to make Indenture a valid and binding agreement for the security of the Bonds authenticated and delivered hereunder.

NOW THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions set forth therein and in this Indenture, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants contained in this Indenture and of the purchase and acceptance of the Bonds by Owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Successor Agency

does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION; EQUAL SECURITY

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

"1999 Loan" means the loan incurred by the Former Agency (as succeeded by the Successor Agency) pursuant to that certain Loan Agreement, dated as of March 1, 1999, by and between the Former Agency and the Authority.

"2006 Loan" means the loan incurred by the Former Agency (as succeeded by the Successor Agency) pursuant to that certain Loan Agreement, dated as of August 1, 2006, by and between the Former Agency and the Authority.

"2011 Loan" means the loan incurred by the Former Agency (as succeeded by the Successor Agency) pursuant to that certain Loan Agreement, dated as of February 1, 2011, by and between the Former Agency and the Authority.

"2016 Escrow Agreement" means the Escrow Agreement, dated as of _____, 2016, by and among the Authority, the Successor Agency, and U.S. Bank National Association, as trustee and escrow agent, pertaining to the prepayment and discharge of the 1999 Loan and the 2011 Loan (and the corresponding defeasance of related bonds issued by the Authority in 1999 and 2011).

"2016 Refunding Instructions" means the Refunding Notice and Instructions, dated _____, 2016, executed by the Authority and the Successor Agency, to U.S. Bank National Association, as trustee relating to the 2006 Loan, pertaining to the discharge of the 2006 Loan (and the corresponding redemption of related bonds issued by the Authority in 2006).

"Annual Debt Service," with respect to the Outstanding Bonds for which the calculation is being made, means for each Bond Year, the sum of (1) the interest falling due on such Outstanding Bonds in that Bond Year, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds, if any, are redeemed from the Sinking Account, as may be scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), (2) the principal amount of such Outstanding Serial Bonds, if any, maturing by their terms in such Bond Year, and (3) the minimum principal amount of such Outstanding Term Bonds required to be paid or called and redeemed in such Bond Year.

"Average Annual Debt Service" means the average Annual Debt Service over all Bond Years.

"Authority" means the Turlock Public Financing Authority, a joint powers authority formed pursuant to a Joint Exercise of Powers Agreement, dated as of December 15, 1998, by and between the City and the Former Agency.

"Authorized Officer" means, with respect to the Successor Agency, the Chair (*ex-officio* the Mayor of the City), the Vice Chair (*ex-officio* the Mayor Pro Tem of the City), the Executive Director of the Successor Agency (*ex-officio* the City Manager of the City) and the Finance Director (*ex-officio* the Administrative Services Director of the City), or any other officer of the Successor Agency duly authorized to act on behalf of the Successor Agency for purposes of this Indenture.

"Authorized Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely on a Written Request of the Successor Agency directing investment in such Authorized Investment as a certification by the Successor Agency to the Trustee that such Authorized Investment is a legal investment under the laws of the State):

(i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America;

(b) Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;

(iii) Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

(iv) Evidences of ownership of proportionate interests in future interest and principal payments on obligations described in clause (i), (ii) or (iii) above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(v) Federal Housing Administration debentures.

(vi) Listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America

(a) Federal Home Loan Mortgage Corporation (FHLMC);

(b) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) - Senior Debt obligations;

(c) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes;

(d) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations;

(e) Federal National Mortgage Association (FNMA) Senior debt obligations Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(f) Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(g) Financing Corporation (FICO) Debt obligations;

(h) Resolution Funding Corporation (REFCORP) Debt obligations.

(vii) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

(viii) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million, including certificates of deposit placed through the CDARS program.

(ix) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(x) Money market funds rated "Aam" or "AAm-G" by S&P, or better, that are invested solely in U.S. Treasury or U.S. local government obligations.

(xi) "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's;

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's;

(xii) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations") which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

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

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

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

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

(xiii) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's, provided that:

(a) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); provided, however, that such collateral levels need not be met, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), and so long as such collateral levels are 103 percent or better and the provider is rated at least "A" by S&P and Moody's;

(b) The Trustee or a third party acting solely as agent therefor or for the Successor Agency (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a

perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) All other requirements of S&P in respect of repurchase agreements shall be met; and

(e) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Successor Agency or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Successor Agency or Trustee.

(xiv) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(a) Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(b) The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (and the Successor Agency and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid);

(c) The investment agreement shall state that the provider's payment obligation thereunder is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel, shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) The Successor Agency or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Successor Agency) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(e) The investment agreement shall provide that if during its term:

(I) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Successor Agency, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-

party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest on the investment, and

(II) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Successor Agency or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Authority or Trustee,

The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) the investment agreement must provide that if during its term:

(I) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Successor Agency or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Successor Agency or Trustee, as appropriate, and

(II) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Successor Agency or Trustee, as appropriate.

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

(xvi) Any state administered pool investment fund in which the Successor Agency is statutorily permitted or required to invest will be deemed a permitted investment, including, but not limited to the Local Agency Investment Fund in the treasury of the State.

"Book-Entry Bonds" means Bonds registered in the name of the Nominee of a Depository as the Owner thereof pursuant to the terms and provisions of Section 2.12 of this Indenture.

["Bond Insurance Policy" means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.]

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

"Bond Year" means each twelve month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year shall extend from the Closing Date to September 1, [2017].

"Bonds" means the Successor Agency to the Turlock Redevelopment Agency Tax Allocation Refunding Bonds, Series 2016, issued pursuant to this Indenture.

"Business Day" means a day other than a Saturday, a Sunday or a day on which banks located in the city where the corporate trust office of the Trustee is located are required or authorized to remain closed.

"Certificate of the Successor Agency" means an instrument in writing signed by an Authorized Officer of the Successor Agency.

"City" means the City of Turlock, California.

"Closing Date" means _____, 2016.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

(1) 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;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"Continuing Disclosure Agreement" means the continuing disclosure undertakings of the Successor Agency with respect to the Bonds in connection with Securities Exchange Commission Rule 15c2-12, as originally executed and as the same may be amended and supplemented from time to time in accordance to the terms thereof.

"Costs of Issuance Fund" means the fund by that name held by the Trustee pursuant to Section 4.04.

"County" means the County of Stanislaus, California.

"County Auditor-Controller" means the Auditor-Controller of the County.

"Debt Service Fund" means the Project Area Debt Service Fund held by the Trustee pursuant to Section 4.02.

"Depository" means any securities depository acting as Depository pursuant to Section 2.12 of this Indenture.

"Dissolution Act" means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the HSC, as heretofore amended and as the same may be further amended from time to time.

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

"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 the value of which is determined 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) the value of which is determined 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) the investment is the Local Agency Investment Fund of the State, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States of America.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or other evidences of indebtedness secured by the full faith and credit of the United States of America; and also any securities now or hereafter authorized both the interest on and principal of which are guaranteed directly by the full faith and credit of the United States of America, as and to the extent that such securities are eligible for the legal investment of Successor Agency funds.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Successor Agency as its Fiscal Year in accordance with the Law and identified in writing to the Trustee.

"Former Agency" means the former Turlock Redevelopment Agency, a redevelopment agency established and existed under the Law, which was dissolved on February 1, 2012 pursuant to the Dissolution Act.

"HSC" means the Health and Safety Code of the State.

"Housing DDA Obligation Fund" means the fund by that name established pursuant to Section 5.08 of this Indenture.

"Indenture" means this Indenture, as may be amended from time to time in accordance with the terms hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Successor Agency, and who, or each of whom:

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

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

(3) is not connected with the Successor Agency as a member, officer or employee of the Successor Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Successor Agency.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Successor Agency and who, or each of whom:

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

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

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

"Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies, appointed and paid by the Successor Agency, and who, or each of whom:

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

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

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

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other facilities or organizations providing information with respect to called bonds as may be designated to the Trustee in writing.

"Interest Account" means the account by that name within the Debt Service Fund held by the Trustee pursuant to Section 4.05(a).

"Interest Payment Date" means, with respect to the Bonds, each March 1 or September 1, on which interest on the Bonds is scheduled to be paid, commencing [March] 1, 2017.

"Law" means the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), and all laws amendatory thereof or supplemental thereto, including the Dissolution Act.

"Letter of Representations" means the Blanket Issuer Letter of Representations, dated _____, 2016, from the Successor Agency to the Depository, qualifying bonds issued by the Successor Agency for the Depository's book-entry system as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Maximum Annual Debt Service" means, with respect to the Outstanding Bonds for which the calculation is being made, the largest Annual Debt Service during the period from the date of calculation through the final maturity date of such Bonds.

"Moody's" means Moody's Investors Service and its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Successor Agency.

"Nominee" means Cede & Co., or another nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.12 of this Indenture.

"Obligations" means obligations of the Successor Agency and includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.02) all Bonds except

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

(2) Bonds paid or deemed to have been paid within the meaning of Section 9.01; and

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

"Oversight Board" means the oversight board to the Successor Agency established pursuant to HSC Section 34179.

"Owner" means the registered owner of any Outstanding Bond according to the registration books held by the Trustee pursuant to Section 2.08.

"Parity Obligations" means any Obligations incurred pursuant to Section 5.02 payable from and secured by a lien on and pledge of Tax Revenues on a parity with the Bonds.

"Parity Reserve Accounts" means the debt service reserve account(s), if any, to be established and maintained for Parity Obligations, as required by the indenture (or similar instrument) governing the Parity Obligations.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Book-Entry Bonds as securities depository.

"Pass-Through Agreements" means, collectively, the following agreements made by the Former Agency and each counterparty pursuant to Health and Safety Code Section 33401: (i) the Agreement, dated as of December 7, 1993, by and between the Former Agency and the County, (ii) the Agreement, dated as of December 14, 1993, by and between the Former Agency and the Stanislaus County Office of Education, (iii) the Agreement, dated as of November 15, 1993, by and between the Former Agency and the Turlock Mosquito Abatement District, and (iv) the Agreement, dated as of December 3, 1993, by and between the Former Agency and the Yosemite Community College District.

"Principal Account" means the account by that name within the Debt Service Fund held by the Trustee pursuant to Section 4.05(b).

"Principal Payment Date" means each September 1 on which principal of any Bond is scheduled to be paid.

"Project Area" has the meaning ascribed to it in the Redevelopment Plan, and refers to the geographical area of the Turlock Redevelopment Project, and any territory that may be hereafter added thereto by an amendment to the Redevelopment Plan.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.05(d), provided that all of the following requirements are met: (i) at the time of issuance of the instrument, the long-term credit rating of such bank is within the two highest rating categories (without regards to any numerical or "+/-" modifier) of Moody's and S&P, or the claims paying ability of such insurance company is rated within the highest rating category of A.M. Best & Company and S&P, or if any of the Bonds are

insured, the long-term credit rating of such bank or claims paying ability of such insurance company is at least as high as the insured rating of the Bonds; (ii) such letter of credit or surety bond has a term of at least 12 months; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.05(d); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in Section 4.05(d), including the replenishment of the Interest Account, the Principal Account or the Sinking Account.

"Rebate Amount" has the meaning ascribed to it in the Tax Certificate relating to the Bonds.

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

"Redevelopment Obligation Retirement Fund" means the fund by that name established and held by the Successor Agency pursuant to HSC Section 34170.5.

"Redevelopment Plan" means the redevelopment plan for the Project Area, adopted and approved as the Redevelopment Plan for the Project by Ordinance No. 834, adopted by the City Council of the City on November 23, 1993, as amended by Ordinance No. 863, adopted on November 1, 1994, and as further amended by Amendment No. 1 to the Turlock Redevelopment Plan for the Turlock Redevelopment Project, approved by Ordinance No. 906, adopted on July 9, 1996, and together with all amendments thereto hereafter made in accordance with law.

"Refunding Bond 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.

"Reserve Account" means the account by that name within the Debt Service Fund held by the Trustee pursuant to Section 4.05(d).

"Reserve Requirement" means, as of any calculation date, an amount (to be confirmed by the Successor Agency to the Trustee upon the Trustee's request) equal to the least of (i) 10 percent of the sum of the original stated principal amounts of the Bonds at issuance, (ii) 125 percent of Average Annual Debt Service or (iii) Maximum Annual Debt Service.

[**"Reserve Surety" means the _____ issued by the Bond Insurer for the credit of the Reserve Account upon issuance of the Bonds, which is a Qualified Reserve Account Credit Instrument.]**

"ROPS" means a Recognized Obligation Payment Schedule, prepared by the Successor Agency pursuant to the Dissolution Act (including HSC Section 34177 and Section 34191.6), on which the Successor Agency's anticipated payments for enforceable obligations for the upcoming ROPS Payment Period(s) are listed.

"ROPS Period" means the annual fiscal period (commencing on each July 1) covered by a ROPS; provided that if the Dissolution Act is hereafter amended, such that each ROPS covers a

fiscal period of a different length, then "ROPS Period" shall mean such other fiscal period per the Dissolution Act, as amended.

"ROPS Payment Period" means the six month fiscal period (commencing on each January 1 and July 1) during which monies distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Act; provided that if the Dissolution Act is hereafter amended, such that each ROPS Payment Period covers a fiscal period of a different length, then "ROPS Payment Period" shall mean such other fiscal period per the Dissolution Act, as amended.

"RPTTF" means the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller pursuant to HSC Section 34172(c) and 34170.5, into which the property tax revenues that would have been allocated to the Former Agency pursuant to subdivision (b) of Section 16 of Article XVI of the Constitution of the State are deposited and administered in accordance with the provisions of the Dissolution Act.

"RPTTF Disbursement Date" means each January 2 and June 1 (or such other date(s) as provided in the Dissolution Act) on which the County Auditor-Controller is required pursuant to the Dissolution Act to disburse moneys deposited in the RPTTF to the Successor Agency for payment on enforceable obligations pursuant to an approved ROPS.

"S&P" means S&P Global Ratings, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Successor Agency.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041, or such other addresses provided by the DTC; or in accordance with then applicable guidelines of the Securities and Exchange Commission, such other securities depository or no security depository, as designated to the Trustee in writing.

"Serial Bonds" means Bonds for which no mandatory sinking account payments are provided.

"Sinking Account" means the account by that name within the Debt Service Fund held by the Trustee pursuant to Section 4.05(c).

"Sinking Account Installment" means the amount of money required by or pursuant to this Indenture to be paid by the Successor Agency on any single date toward the retirement of any particular Term Bonds on or prior to their respective stated maturities.

"Sinking Account Payment Date" means any date on which Sinking Account Installments on any Term Bonds are scheduled to be paid.

"Special Fund" means the Special Fund held by the Successor Agency pursuant to Section 4.02.

"State" means the State of California.

"State Department of Finance" means the California Department of Finance.

"Successor Agency" means the Successor Agency to the Turlock Redevelopment Agency, which was established pursuant to the Dissolution Act as the successor to the Former Agency.

"Supplemental Indenture" means any indenture then in full force and effect which has been entered into by the Successor Agency and the Trustee, amendatory of or supplemental to this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under this Indenture.

"Tax Certificate" means the Certificate Regarding Compliance with Certain Tax Matters (or similar document) pertaining to the use and investment of proceeds of the Bonds, executed and delivered by an Authorized Officer of the Successor Agency on the Closing Date, including any and all exhibits and attachments thereto.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the interest on the Tax-Exempt Bonds, that such interest is excluded from gross income for federal income tax purposes whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax, under the Code.

"Tax Revenues" has the following meaning:

(a) All property taxes deposited from time to time into the RPTTF (consisting of all property tax revenues that would have been allocated to the Former Agency pursuant to subdivision (b) of Section 16 of Article XVI of the Constitution of the State are deposited and administered in accordance with the provisions of the Dissolution Act), but excluding the following amounts: (i) administrative costs of the County Auditor-Controller deducted as required by HSC Section 34183(a); (ii) amounts payable to affected taxing entities pursuant to the Law (including payments under HSC Sections 33676, 33607.5 or 33607.7 and the Pass-Through Agreements), unless such payments to taxing entities have been subordinated to the Bonds, and (iii) monies in the Housing DDA Obligation Fund (which pursuant to Section 5.08 of this Indenture, will be funded by an amount not exceeding [$775,000] from the June 2016 RPTTF disbursement, an amount not exceeding [$965,000] from the January 2017 RPTTF disbursement and an amount not less than [$1,760,000] from funds that the Successor Agency on hand from RPTTF disbursements received before June 2016).

(b) In the event that the provisions of the Dissolution Act are invalidated because of a final judicial decision or a change in law, such that property tax revenues described above are in longer deposited into the RPTTF, then Tax Revenues shall mean all revenues derived from taxes levied on properties that would have been allocated to the Former Agency pursuant to Section 16(b) of Article XVI of the California Constitution, subject to the exclusions stated in paragraph (a) above, as such exclusions are then in effect pursuant to the law of such time.

"Term Bonds" means Bonds which are payable on or before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

"Total Maturity Amount" means with respect to any Outstanding Bond, the aggregate principal amount thereof.

"Trust Office" means the corporate trust office of the Trustee at the address set forth in Section 11.11; provided, however, for transfer, registration, exchange, payment and surrender of Bonds, "Trust Office" means the corporate trust office of U.S. Bank National Association in St Paul, Minnesota, or such other office designated by the Trustee from time to time.

"Trustee" means U.S. Bank National Association, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated.

"Written Request of the Successor Agency" means an instrument in writing signed by an Authorized Officer of the Successor Agency.

SECTION 1.02 Rules of Construction.

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

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

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

SECTION 1.03 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Trustee for the benefit of Owners from time to time of all Bonds issued under this Indenture and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered under this Indenture; and the agreements and covenants set forth in this Indenture to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any Bonds over any other Bonds, subject to the agreements, conditions, covenants and provisions contained in this Indenture.

ARTICLE II
TERMS OF BONDS; PROVISIONS RELATING TO EXECUTION AND DELIVERY

SECTION 2.01 Authorization; Designation; Form. The Successor Agency has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly authorized pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Successor Agency hereby authorizes the issuance of the Bonds for the purpose of providing funds to aid in the financing and refinancing of the Project.

The Successor Agency may at any time execute and deliver the Bonds, designated the Successor Agency to the Turlock Redevelopment Agency Tax Allocation Refunding Bonds, Series 2016, authorized to be issued under this Indenture, in the aggregate principal amount of _____ Dollars ($_____). Upon the Written Request of the Successor Agency, the Trustee shall authenticate and deliver the Bonds. The Bonds, the certificate of authentication and the assignment to appear thereon shall be substantially in the form attached as Exhibit A with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

SECTION 2.02 Terms of Bonds.

(a) The Bonds shall be dated as of the Closing Date, shall mature on September 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Year (September 1)	Principal Amount	Interest Rate

The Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order. The Bonds shall be executed and delivered in the denominations of $5,000 or any integral multiple thereof.

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

Interest with respect to any Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check of the Trustee, mailed by first class mail on the Interest Payment Date to the Owner at such Owner's address as it appears, on such Record Date, on the bond registration books maintained by the Trustee; provided, however, that at the written request of the Owner of Bonds in the aggregate principal amount of $1,000,000 or more filed with the Trustee prior to any Record Date, interest on such Bonds shall be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing) by transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the Bonds shall be paid by check to the Owners of the Bonds as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the registered Owners of the Bonds not less than ten days prior to such special record date. The principal of and premium, if any, on the Bonds are payable when due at the Trust Office in lawful money of the United States of America.

Notwithstanding the foregoing provisions of this Section 2.02(b), payments with respect to Book-Entry Bonds shall be subject to the Depository's procedures pursuant to Section 2.12

SECTION 2.03 Form of Bonds. The Bonds, the certificate of authentication and the assignment to appear thereon shall be substantially in the forms attached as Appendix A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

SECTION 2.04 Redemption of Bonds; General Provisions Relating to Redemption.

(a) Optional Redemption. The Bonds maturing on or before September 1, 20__ shall not be subject to optional redemption prior to their maturity. The Bonds maturing on or after September 1, 20__ shall be subject to redemption as a whole or in part from such maturities as the Successor Agency shall designate (which notice of designation shall be delivered to the Trustee no later than 45 days prior to the redemption date, or such shorter period as agreed to by the Trustee in its discretion), prior to their maturity at the option of the Successor Agency on any date on or after September 1, 20___, from funds derived by the Successor Agency from any source, at a redemption price equal to [100] percent of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20___ and September 1, 20___ are also subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account on September 1 of each year commencing September 1, 20___ and September 1, 20___, respectively, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedules:

Bonds maturing September 1, 20__

Redemption Date (September 1)	Sinking Account Installment

20__ (Maturity)

Bonds maturing September 1, 20__

Redemption Date (September 1)	Sinking Account Installment

20__ (Maturity)

(c) General Redemption Provisions

(1) Selection of Bonds. Whenever less than all of the Outstanding Bonds of a maturity are called for redemption at any one time, the Trustee shall select the Bonds to be redeemed, from the Outstanding Bonds of such maturity not previously selected for redemption, by lot; provided, that if less than all of the Outstanding Term Bonds of any maturity are called for optional redemption, each future Sinking Account Installment with respect to such Term Bonds will be reduced on a *pro rata* basis (as nearly as practicable) in integral multiples of $5,000, so that the total amount of Sinking Account Installment payments (with respect to such Term Bonds) to be made after the optional redemption shall be reduced by an amount equal to the principal amount of the Term Bonds so redeemed, as shall be designated by the Successor Agency to the Trustee in writing.

(2) Purchase in Lieu of Redemption. In lieu of redemption of any Term Bond, upon the Written Request of the Successor Agency, the Trustee may apply amounts on deposit in the Debt Service Fund or the Sinking Account therein at any time, for the purchase of such 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 determine in its discretion, but not in excess of the principal amount thereof. No Bonds shall be so purchased by the Trustee with a settlement date more than 60 days prior to the redemption date. The principal amount of any Term Bonds so purchased by the Trustee in any 12 month period ending 30 days prior to any Principal Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds required to be redeemed on such Principal Payment Date in such year.

(3) Notice. Notice of redemption shall be sent by first class mail (or with respect to notices to be received by DTC or its nominee, the Information Services or the Securities Depository, by such transmission method as acceptable to such entity) by the Trustee, on behalf and at the expense of the Successor Agency, not more than 60 days and not less than 30 days before the redemption date to: (i) the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, (ii) the Information Services, and (iii) the Securities Depository. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. If, at the time that the notice redemption is sent to the Owner, the Successor Agency has not deposited with the Trustee sufficient funds to pay the redemption price and accrued interest, in full, with respect to the Bonds being called, the notice shall expressly state that the redemption is conditioned upon the Successor Agency's deposit of funds on or before the redemption date.

Failure by the Trustee to give notice pursuant to this Section to the Information Services or Securities Depository, or the insufficiency of (or the defect in) any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so sent shall not affect the sufficiency of the proceedings for redemption.

(4) Partial Redemption. Upon surrender of any Bond redeemed in part only, the Successor Agency shall execute (manually or by facsimile) and the Trustee shall authenticate and deliver to the Owner of such Bond, at the expense of the Successor Agency, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and the same maturity. A partial redemption shall be valid upon payment of the amount required to be paid to the registered owner, and the Successor Agency and the Trustee shall be released and discharged from all liability to the extent of such payment.

(5) Right to Rescind. The Successor Agency shall have the right to rescind any optional redemption by written notice of rescission. Any notice of optional

redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. Neither such cancellation nor lack of available funds shall constitute an Event of Default under this Indenture. The Trustee will send notice of rescission of such redemption in the same manner as the original notice of redemption was sent.

(6) Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of such redemption price of the Bonds so called for redemption shall have been duly provided, no interest shall accrue on such Bonds from and after the redemption date specified in such notice. Such Bonds, or parts thereof redeemed, will cease to be entitled to any lien, benefit or security under the Indenture.

All Bonds redeemed pursuant to the provisions of this Section shall be canceled by the Trustee and the Trustee shall upon Written Request of the Successor Agency deliver a certificate of destruction to the Successor Agency.

SECTION 2.05 Execution of Bonds. The Chair (or in the Chair's absence, the Vice Chair) of the Successor Agency is hereby authorized and directed to execute each of the Bonds on behalf of the Successor Agency and the Secretary (or an Assistant Secretary or Deputy Secretary) of the Successor Agency is hereby authorized and directed to attest each of the Bonds on behalf of the Successor Agency. Any such signatures may be printed, lithographed or reproduced by other kinds of facsimile reproduction, on a Bond to the extent permitted by law. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though such officer had remained in office until such delivery of the Bonds.

Only such Bonds bearing thereon a certificate of authentication and registration in the form set forth in Appendix A, executed manually by the Trustee, shall be entitled to any benefits under the Indenture or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so registered have been duly issued and delivered under this Indenture and are entitled to the benefits of the Indenture.

SECTION 2.06 Transfer and Registration of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08, by the person in whose name it is registered, in person or by that person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in substantially the form set forth in Appendix A hereto (with respect to the Bonds) or in the appendix of the applicable Supplemental Indenture (with respect to other Bonds), duly executed.

Whenever any Bond or Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of like tenor, maturity and Total Maturity Amount. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Successor Agency, except that the Trustee shall require the payment by the Owner requesting

such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not be required to register the transfer or exchange of any Bond during the 15 days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have matured or been selected for redemption.

SECTION 2.07 Exchange of Bonds. Bonds may be exchanged at the Trust Office for the same aggregate Total Maturity Amount of Bonds of the same maturity of other authorized denominations. The cost of printing any Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Successor Agency, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No such exchange shall be required to be made during the 15 days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have matured or been selected for redemption.

SECTION 2.08 Bond Registration Books. The Trustee will keep at the Trust Office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Successor Agency during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds on said books as hereinbefore provided.

SECTION 2.09 Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated in respect of the body of such Bond, or shall be believed by the Successor Agency to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee, and upon the surrender of such mutilated Bond at the Trust Office, or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Successor Agency and the Trustee, and upon payment of all expenses incurred by the Successor Agency and the Trustee, the Successor Agency shall execute (manually or by facsimile) and the Trustee shall authenticate and deliver at the Trust Office a new Bond or Bonds of the same maturity and for the same Total Maturity Amount, of like tenor and date, with such notations as the Successor Agency shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Trustee upon receipt by the Trustee and the Successor Agency of like proof, indemnity and payment of expenses.

Any such replacement Bonds issued pursuant to this Section shall be entitled to equal and proportionate benefits with all other Bonds issued under this Indenture. The Successor Agency and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued under this Indenture or for the purpose of determining any percentage of Bonds Outstanding under this Indenture, but both the original and replacement Bond shall be treated as one and the same.

SECTION 2.10 Temporary Bonds. Until definitive Bonds shall be prepared, the Successor Agency may cause to be executed and delivered in lieu of such definitive Bonds and subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the Successor Agency, one or more temporary typed, printed, lithographed or engraved Bonds in fully registered form, as may be authorized by the Successor Agency, substantially of the same tenor and, until exchanged for definitive Bonds, entitled and subject to the same benefits and provisions of the Indenture as definitive Bonds. If the Successor Agency issues temporary Bonds it will execute and furnish definitive Bonds without unnecessary delay and thereupon the temporary Bonds shall be surrendered to the Trustee at the Trust Office, without expense to the Owner in exchange for such definitive Bonds. All temporary Bonds so surrendered shall be canceled by the Trustee and shall not be reissued.

SECTION 2.11 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Successor Agency for the financing or refinancing of the Project, or by any contracts made by the Successor Agency in connection therewith, and shall not be dependent upon the completion of the financing or refinancing of the Project or upon the performance by any person of such person's obligation with respect to the Project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 2.12 Book-Entry System. The Bonds shall be issued as Book-Entry Bonds in fully registered form with no distribution of physical bonds made to the public. Each maturity of Book-Entry Bonds shall be in the form of a separate single fully registered Bond (which may be typewritten); provided, that if there are different interest rates within a maturity, then there shall be one separate single fully registered Bond for each interest rate within such maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the bond register in the name of the Nominee, as nominee of the Depository.

With respect to Book-Entry Bonds, the Successor Agency and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the bond register, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds to be redeemed in the event the Successor Agency redeems such in part, or (iv) the payment of any Participant or any other person, other than an Owner as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on Book-Entry Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Book-Entry Bond is registered in the bond register as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay

all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the Successor Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the bond register, shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and Successor Agency of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in this Indenture with respect to record dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

In order to qualify the Book-Entry Bonds for the Depository's Book-Entry system, the Successor Agency has executed and delivered to the Depository the Letter of Representations. The execution and delivery of the Letter of Representations do not in any way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in such Book-Entry Bonds other than the Owners, as shown on the bond register. In addition to the execution and delivery of the Letter of Representations, the Successor Agency and the Trustee, at the Written Request of the Successor Agency, shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's Book-Entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee and the Successor Agency of such determination, then the Successor Agency will discontinue the Book-Entry system with the Depository. If the Successor Agency determines to replace the Depository with another qualified securities depository, the Successor Agency shall prepare or direct the preparation of a new single, separate, fully registered Bond for each maturity of such Book-Entry Bonds (provided, that if there are different interest rates within a maturity, then there shall be one separate single fully registered Bond for each interest rate within such maturity), registered in the name of such successor or substitute qualified securities depository or its nominee. If the Successor Agency fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.06 and 2.07.

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

ARTICLE III
ISSUANCE AND SALE OF BONDS; APPLICATION OF SALE PROCEEDS; RESERVE SURETY DEPOSIT

SECTION 3.01 Sale of Bonds; Allocation of Proceeds among Funds and Accounts. Upon receipt of payment for the Bonds, the Trustee shall set aside and deposit the proceeds received from such sale in the amount of $_____ (which is equal to the par amount of the Bonds, [plus/less] a net original issue [premium/discount] of $_____, and less an underwriter's discount of $_____, [and less the premium paid to the Bond Insurer by the Underwriter on behalf of the Successor Agency for the purchase of the Bond Insurance Policy and the Reserve Surety]) as follows:

(a) Deposit in the Costs of Issuance Fund the amount of $_____ to pay the costs incurred or to be incurred by the Successor Agency in connection with the issuance of the Bonds;

(b) Apply the amount of $_____ towards the redemption of the 2006 Bonds pursuant to the 2016 Refunding Instructions; and

(c) Transfer the amount of $_____ to the 1999 Bonds Escrow Fund established pursuant to the 2016 Escrow Agreement;

(d) Transfer the amount of $_____ to the 2011 Bonds Escrow Fund established pursuant to the 2016 Escrow Agreement.

SECTION 3.02 Deposit of Reserve Surety. Upon receipt of the Reserve Surety on the Closing Date, the Trustee shall credit the Reserve Surety to the Reserve Account.

ARTICLE IV
TAX REVENUES; CREATION OF FUNDS

SECTION 4.01 Pledge of Tax Revenues. All the Tax Revenues and all moneys in the Special Fund and the Debt Service Fund established and maintained pursuant to this Indenture, whether held by the Successor Agency, the County Auditor-Controller or the Trustee (except any funds set aside for payment of the Rebate Amount pursuant to the Code), are hereby irrevocably pledged to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Bonds. The Tax Revenues and such other money shall not be used for any other purpose while any of the Bonds remain Outstanding, subject to the provisions of this Indenture permitting application thereof for the purposes and on the terms and conditions set forth in this Indenture. This pledge shall constitute a first lien on the Tax Revenues and such other money for the payment of the Bonds in accordance with the terms thereof. The Successor Agency hereby represents that, as of the Closing Date for the Bonds, the Successor Agency does not have any other outstanding indebtedness secured by Tax Revenues which is ranked senior to or on a parity with the Bonds. So long as the Bonds remain Outstanding, the Successor Agency shall not incur any Parity Obligations, except as permitted under Section 5.02.

SECTION 4.02 Special Fund; Receipt and Deposit of Tax Revenues; Debt Service Fund.

(a) There is hereby established a special fund known as the "Special Fund" held by the Successor Agency.

(b) The Successor Agency shall include in each ROPS to be submitted after the effective date of this Indenture, a request for the County Auditor-Controller to distribute from the RPTTF to the Successor Agency on each RPTTF Disbursement Date, the following amounts: (i) each interest payment coming due with respect to the Outstanding Bonds and Parity Obligations during such ROPS Period, (ii) for any ROPS Payment Period which covers payment from January through June of a calendar year, at least one-half (but, at the discretion of the Successor Agency, may be up to all) of the principal amount (including maturing principal and any Sinking Account Installment) coming due with respect to the Bonds on September 1st of such calendar year (the "Principal Reserve"), (iii) for any ROPS Payment Period which covers payments from July through December of any calendar year, an amount equal to the principal amount coming due on September 1st of such calendar year, less the Principal Reserve already received in connection with the immediately prior ROPS Payment Period and deposited with the Trustee, and (iv) amounts, if any, required to replenish the Reserve Account (including payments to the provider of any Qualified Reserve Credit Instrument for draws on such Qualified Reserve Credit Instrument), as required pursuant to Section 4.05 below, and to replenish Parity Reserve Accounts, if any.

The Successor Agency shall also include on the periodic ROPS for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held as a reserve until the next ROPS Payment Period, as contemplated by HSC Section 34171(d)(1)(A), when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture during that next ROPS Payment Period. To that end, whenever the Successor Agency is preparing a ROPS, the Successor Agency shall, based on information obtained from the County Auditor-Controller, review the amount of dollars deposited in the RPTTF on the two immediately prior RPTTF Disbursement Dates. For the purposes of complying with the first sentence of this paragraph (*i.e.*, projecting whether the next property tax allocation will be sufficient to pay all obligations due under this Indenture during the next ROPS Period), the Successor Agency shall assume that the property tax revenue collection (and thus, the dollar amount to be deposited in the RPTTF) will be consistent with the pattern shown during the last two ROPS Periods, without assuming any increase to the assessed value of the taxable properties in the Project Area.

(c) Upon the Successor Agency's receipt of Tax Revenues on each RPTTF Disbursement Date, the Successor Agency shall apply the Tax Revenues pursuant to the ROPS (as approved by the State Department of Finance) and further deposit the Tax Revenues received for the payment of debt service of the Bonds and any Parity Obligations and any replenishment of the Reserve Account and Parity Reserve Accounts into the Special Fund. During each Bond Year, the Successor Agency shall deposit such moneys in the Special Fund until such time as the amount so deposited in the Special Fund is at least equal the sum of (i) the aggregate amount required to be transferred to the Trustee pursuant to this Section 4.02 and Section 4.05 for such Bond Year, and (ii) the aggregate amount required by the governing documents of the Parity

Obligations to be transferred for the debt service payment and replenishment of the Parity Reserves.

(d) There is hereby established a fund known as the "Debt Service Fund," to be held by the Trustee. On or before the fifth Business Day immediately preceding any Interest Payment Date, the Successor Agency shall withdraw from the Special Fund and deposit with the Trustee the amount of money necessary to make the deposits required in Sections 4.05(a), (b) and (c). After the deposits required by Sections 4.05(a), (b) and (c) have been made and upon notice from the Trustee, the Successor Agency shall withdraw from the Special Fund and deposit with the Trustee the amount of money necessary to make any deposit required by Section 4.05(d). Notwithstanding the foregoing, the Successor Agency is not required to deposit with amount of Tax Revenues in excess of that amount which, together with all money then on deposit with the Trustee in the Debt Service Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds pursuant to Article IX.

(e) If and only at such time that, during any Bond Year, the moneys deposited in the Special Fund is at least equal to the amount required to be transferred to the Trustee pursuant to this Section 4.02(b) for such Bond Year (the "Bond Year Requirement"), then the Tax Revenues in excess of the Bond Year Requirement shall be released from the pledge and lien hereunder and such excess Tax Revenues may be applied for other lawful purposes. So long as any Bonds are Outstanding, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund or the Debt Service Fund, except as may be provided in this Indenture.

SECTION 4.03 Division of Accounts for Record Keeping. The funds and accounts established in this Indenture may be divided by the Successor Agency or by the Trustee, as applicable, as necessary or appropriate for record keeping purposes, and upon the Written Request of the Successor Agency, in order to perform the necessary rebate calculations.

SECTION 4.04 Costs of Issuance Fund. There is hereby established a special trust fund held by the Trustee called the "Costs of Issuance Fund." All moneys in the Costs of Issuance Fund shall be applied to the payment of costs and expenses incurred by the Successor Agency in connection with the authorization, issuance and sale of the Bonds and shall be disbursed by the Trustee upon delivery to the Trustee of a requisition, substantially in the form attached hereto as Appendix B, executed by an Authorized Officer of the Successor Agency. Each such requisition shall be sequentially numbered and state the name and address of the person, firm or corporation to whom payment is due, the amount to be disbursed, the purposes for such disbursement and that such obligation has been properly incurred and is a proper charge against the Costs of Issuance Fund. Upon the earlier of the payment in full of such costs and expenses (or the making of adequate provision for the payment thereof, evidenced by a Certificate of the Successor Agency to the Trustee) or 180 days after the Closing Date, any balance remaining in the Costs of Issuance Fund shall be transferred to the Debt Service Fund and the Costs of Issuance Fund shall be closed. Pending the application and transfer of the balance to the Debt Service Fund, the moneys in each account of the Costs of Issuance Fund may be invested as permitted by Section 4.06 and investment income resulting from any such investment shall be retained in the respective account of the Costs of Issuance Fund.

SECTION 4.05 Establishment and Maintenance of Accounts for Use of Moneys in the Debt Service Fund. The Trustee shall deposit all moneys received from the Successor Agency pursuant to Section 4.02(d) immediately into the Debt Service Fund. All moneys in the Debt Service Fund shall be set aside by the Trustee in each Bond Year when and as received in the following respective special accounts within the Debt Service Fund (each of which is hereby created and each of which the Trustee hereby agrees to cause to be maintained), in the following order of priority (except as otherwise provided in subsection (b) below):

(i) Interest Account;

(ii) Principal Account;

(iii) Sinking Account; and

(iv) Reserve Account.

All moneys in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 4.05.

(a) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Debt Service Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. 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 purchased or redeemed prior to maturity).

(b) Principal Account. On or before each March 1st, the Trustee shall aside from the Debt Service Fund and deposit in the Principal Account one-half of the aggregate amount of principal coming due on the Outstanding Serial Bonds, if any, on September 1st of that same calendar year; provided, that if the Successor Agency has transferred to the Trustee a greater amount based on receipt of the Principal Reserve (as specified by the Successor Agency to the Trustee in writing), then the Trustee shall deposit such larger amount into the Principal Account. Then, on or before each Principal Payment Date, the Trustee shall set aside from the Debt Service Fund and deposit in the Principal Account an amount of money which, together with any money already contained therein, is equal to the aggregate amount of the principal becoming due and payable on all Outstanding Serial Bonds on such Principal Payment Date. In the event that there shall be insufficient money in the Debt Service Fund to make in full all such principal payments and Sinking Account Installments required to be made pursuant to Section 4.05(c) of this Indenture in such Bond Year, then the money available in the Debt Service Fund shall be applied pro rata to the making of such principal payments and such Sinking Account Installments in the proportion which all such principal payments and Sinking Account Installments bear to each other.

Notwithstanding the foregoing, no deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds becoming due and payable on the upcoming Principal Payment Date.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and redemption premium, if any, of the Serial Bonds as they shall become due and payable.

(c) Sinking Account. On or before each March 1st, the Trustee shall set aside from the Debt Service Fund and deposit in the Sinking Account one-half of the Sinking Account Installment, if any, payable on September 1st of that same calendar year; provided, that if the Successor Agency has transferred to the Trustee a greater amount based on receipt of the Principal Reserve (as specified by the Successor Agency to the Trustee in writing), then the Trustee shall deposit such larger amount into the Sinking Account. Then, on or before each Principal Payment Date, the Trustee shall set aside from the Debt Service Fund and deposit in the Sinking Account an amount of money equal to the Sinking Account Installment, if any, payable on the Sinking Account Payment Date in such Bond Year. All moneys in the Sinking Account shall be used by the Trustee to redeem Term Bonds.

(d) Reserve Account.

(1) On or before each Interest Payment Date, the Trustee shall set aside from the Debt Service Fund and deposit in the Reserve Account such amount of money (or other Qualified Reserve Account Credit Instrument, as contemplated by the following paragraph) as shall be required to restore the balance in the Reserve Account to an amount equal to the Reserve Requirement for the Bonds then Outstanding. The Trustee shall value the balance in the Reserve Account semi-annually at least 45 days before each Interest Payment Date in accordance with Section 4.06. If at any time the balance in the Reserve Account falls below the Reserve Requirement, the Trustee shall promptly notify the Successor Agency in writing. Upon receipt of such notice from the Trustee, the Successor Agency shall take such action as necessary to include the amount necessary to restore the Reserve Account balance to the Reserve Requirement in its next transfer of moneys from the Special Fund to the Debt Service Fund as soon as permissible under the Dissolution Act. No deposit need be made in the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Requirement for the Bonds then Outstanding. So long as the Successor Agency is not in default under this Indenture, any amount in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Debt Service Fund. All money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of (i) replenishing the Interest Account, the Principal Account or the Sinking Account in such order, in the event of any deficiency at any time in any of such accounts or for the purpose of paying the interest on or principal of the Bonds in the event that no other money in the Special Fund or the Debt Service Fund is lawfully available therefor, or (ii) making the final payments of principal of and interest on the Bonds.

(2) The Reserve Requirement may be satisfied by crediting to the Reserve Account one or more Qualified Reserve Account Credit Instruments, which together with the cash, if any, on deposit in the Reserve Account, in the aggregate make funds available in

the Reserve Account in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of such Qualified Reserve Account Credit Instrument, the Trustee shall release moneys then on hand in the Reserve Account to the Successor Agency, to be used for any lawful purpose, in an amount equal to the face amount of the Qualified Reserve Account Credit Instrument.

(e) Surplus. After making the deposits referred to in paragraphs (a) through (d) above in any Bond Year, the Trustee shall transfer any amount remaining on deposit in the Debt Service Fund to the Successor Agency to be used for any lawful purpose.

SECTION 4.06 Investment of Moneys in Funds and Accounts. Upon the Written Request of the Successor Agency received by the Trustee prior to the date of such investment, moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account, or the Costs of Issuance Fund (and any account therein) shall be invested by the Trustee in Authorized Investments, which shall mature or be withdrawable prior to the date on which such moneys are required to be paid out under this Indenture. In the absence of such instructions the Trustee shall invest in the investments described in clause (x) of the definition of "Authorized Investments" set forth in Section 1.01. Any interest, income or profits from the deposits or investments of all funds (except the Costs of Issuance Fund) and accounts maintained by the Trustee under this Indenture shall be deposited in the Debt Service Fund.

For purposes of determining the amount on deposit in any fund or account held by the Trustee under this Indenture, all Authorized Investments credited to such fund or account shall be valued at the Fair Market Value no less frequently than every six months. Except as otherwise provided in this Section, Authorized Investments representing an investment of moneys attributable to any fund or account and all investment profits or losses thereon shall be deemed at all times to be a part of said fund or account. Absent negligence or willful misconduct by the Trustee, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

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 will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Trustee under this Indenture. The Trustee may make any investments under this Indenture through its own bond or investment department or trust investment department, or those of its parent or any affiliate as principal or agent. The Trustee or any of its affiliates may act as a sponsor, advisor or manager in connection with any investments made by the Trustee under this Indenture. For investment purposes, the Trustee may commingle the funds and accounts established under this Indenture and shall account for them separately.

Amounts deposited in the Special Fund and another fund established by this Indenture and held by the Successor Agency may be invested in Authorized Investments or any other investments in which the Successor Agency may lawfully invest its funds.

ARTICLE V
COVENANTS OF SUCCESSOR AGENCY

SECTION 5.01 Punctual Payment. The Successor Agency shall punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, but only from Tax Revenues, in strict conformity with the terms of the Bonds and of the Indenture and shall faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

SECTION 5.02 No Priority; No Additional Parity Bonds, Except for Refunding Bonds; Other Obligations. The Successor Agency covenants that it will not issue any Obligations payable, either as to principal or interest, from the Tax Revenues which have any lien upon the Tax Revenues on a parity with or superior to the lien under this Indenture for the Bonds; provided, however, that the Successor Agency may: (a) issue and sell Parity Obligations to refund then outstanding Bonds (or Parity Obligations issued after the Closing Date pursuant to this Section 5.02), if (i) debt service on such proposed Parity Obligations is lower than debt service on the Bonds (or Parity Obligations) being refunded, (ii) the final maturity of any such proposed Parity Obligations does not exceed the final maturity of the Bonds or other Parity Obligations being refunded; (b) issue and sell Obligations which have a lien on Tax Revenues junior to the Bonds; or (c) issue and sell Obligations that are payable in whole or in part from sources other than Pledged Tax Revenues.

SECTION 5.03 Protection of Security and Rights of Owners. The Successor Agency shall preserve and protect the security of the Bonds and the rights of the Owners, and shall warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Successor Agency, such Bonds shall be incontestable by the Successor Agency.

SECTION 5.04 Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Successor Agency shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and shall not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such claim for interest so extended or funded shall not be entitled, in case of default under this Indenture, to the benefits of the 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 5.05 Records and Accounts; Continuing Disclosure.

(a) The Successor Agency covenants that it will at all times keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries are made of the financial transactions and records of the Successor Agency. Within nine months after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial

statements of the City. Upon written request, the Successor Agency shall furnish a copy of the audited financial report to any Owner. The Trustee shall have no duty to review such audits.

(b) The Trustee shall provide such statements with regard to any funds held by the Trustee under this Indenture to the Successor Agency as the Successor Agency may reasonably require to comply with the terms of this Section.

(c) The Successor Agency shall comply with the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with a Continuing Disclosure Agreement shall not be considered an Event of Default; provided, that any Owner or beneficial owner of the applicable Bonds may take such actions as may be necessary or appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligation under such Continuing Disclosure Agreement.

SECTION 5.06 Payment of Claims, Taxes and Other Charges. The Successor Agency covenants that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

SECTION 5.07 Tax Covenants.

(a) The Successor Agency shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of interest on the Bonds under Section 103(a) of the Code or cause interest on the Tax-Exempt Bonds to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under Section 55 of the Code.

(b) In furtherance of the foregoing tax covenant, the Successor Agency shall comply with the provisions of the Tax Certificate, which is incorporated in this Indenture as if fully set forth in this Indenture. These covenants shall survive payment in full or defeasance of the Bonds.

SECTION 5.08 Housing DDA Obligation Fund. The Successor Agency shall cause the Trustee (or another escrow agent, as determined by the Successor Agency) to establish a fund hereby designated the "Housing DDA Obligation Fund." The aggregate amount of moneys to be deposited in the Housing DDA Obligation Fund shall not exceed $3,500,000, from the following sources: (a) a deposit by the Successor Agency on the Closing date, in an amount not less than **[**$1,760,000**]** from funds on hand from RPTTF disbursements received before June 2016); (b) moneys that the Successor Agency receives from the RPTTF disbursement in June

2016, in an amount not exceeding [$790,000]; and (c) moneys that the Successor Agency receives from RPTTF disbursement in January 2017, in an amount not exceeding [$950,000]. Moneys deposited in the Housing DDA Obligation Fund shall be subject to withdrawal upon Written Request of the Successor Agency: (i) for the Successor Agency's payment of its obligation under Section 301 of the Disposition and Development Agreement, dated as of April 12, 2011, by and between EAH INC. and the Former Agency (as succeeded by the Successor Agency), or (ii) for release to the Successor Agency for any lawful purpose, upon the Successor Agency's determination that the moneys in the Housing DDA Obligation Fund is no longer needed for the purpose of clause (i). Moneys in the Housing DDA Obligation Fund shall be invested in accordance to the Successor Agency's written instructions given to the Trustee before the Closing Date. All earnings from such investment shall be retained in the Housing DDA Obligation Fund. Once all of the moneys have been drawn from the Housing DDA Obligation Fund, such fund shall be closed. The Trustee (or such other escrow agent holding the Housing DDA Obligation Fund) may definitively rely on the Written Request of the Successor Agency furnished to it by the Successor Agency pursuant to this Section 5.08. Moneys in the Housing DDA Obligation Fund are not be pledged and do not serve as security for payment of the 2016 Bonds.

SECTION 5.09 Further Assurances. The Successor Agency shall adopt, make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

ARTICLE VI
TRUSTEE

SECTION 6.01 Trustee.

(a) U.S. Bank National Association, having a corporate trust office in San Francisco, California, is hereby appointed Trustee under this Indenture for the purpose of receiving all money which the Successor Agency is required to deposit with the Trustee under this Indenture and to allocate, use and apply the same as provided in the Indenture.

(b) The Successor Agency may at any time, but only prior to an Event of Default or after the curing or waiver of an Event of Default and only upon 30 days written notice, at its sole discretion remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank, national banking association, banking institution (state or federal) or trust company with a corporate trust office in California, having a combined capital, exclusive of borrowed capital, and surplus (or whose parent holding company has a combined capital, exclusive of borrowed capital, and surplus) of at least $75,000,000, and subject to supervision or examination by federal or state authority. If such bank, banking institution or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital

and surplus of such bank, national banking association, banking institution or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(c) The Trustee may at any time resign by giving written notice to the Successor Agency. Any successor trustee appointed under this Indenture shall give notice of such appointment to the Owners, which notice shall be mailed to the Owners at their addresses appearing in the registration books in the office of the Trustee. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

(d) The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Successor Agency and shall upon Written Request of the Successor Agency deliver a certificate of destruction to the Successor Agency. The Trustee shall keep accurate records of all Bonds paid and discharged and destroyed by it.

(e) The Successor Agency shall from time to time, subject to any agreement between the Successor Agency and the Trustee then in force, pay to the Trustee compensation for its services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties under this Indenture of the Trustee, which compensation shall not be limited by any provision of law with respect to the compensation of a trustee of an express trust, and the Successor Agency shall reimburse the Trustee for all its advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel (including in-house counsel to the extent not duplicative of other counsel's work) and engineers or other experts employed by it, and reasonably required, in the exercise and performance of its powers and duties under this Indenture.

SECTION 6.02 Indemnification. The Successor Agency shall indemnify and save the Trustee, its officers, employees, directors and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the exercise and performance by the Trustee of any of its powers and duties under this Indenture, or (ii) the offering and sale of the Bonds or the distribution of any official statement or other offering circular utilized in connection with the sale of the Bonds; provided, that the Successor Agency shall not be liable for actions caused by the Trustees' own negligence or willful misconduct. The Trustee's rights to indemnification and protection from liability under this Indenture and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. The Trustee shall not be liable for the sufficiency or collection of any Tax Revenues or other moneys required to be paid to it under the

Indenture (except as provided in this Indenture), or its right to receive moneys pursuant to the Indenture.

SECTION 6.03 Limitation on Liability.

(a) The recitals of facts, covenants and agreements contained in this Indenture, in the Bonds and in any instruments of further assurance shall be taken as statements, covenants and agreements of the Successor Agency, and the Trustee does not assume any responsibility for the correctness of the same, or make any representation as to the validity or sufficiency of the Indenture or of the Bonds, the adequacy of any security afforded thereunder, or the correctness or completeness of any information contained in any offering material distributed in connection with the sale of the Bonds, or incur any responsibility in respect of any of the foregoing, other than in connection with the duties or obligations in this Indenture or in the Bonds assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties under this Indenture, except for its own negligence or willful misconduct. The Trustee may become an Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond 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 responsible for the validity, genuineness or performance of any leases, contracts or other instruments at any time conveyed, mortgaged, hypothecated, pledged, assigned or transferred to it under this Indenture, or with respect to the obligation of the Successor Agency to preserve and keep unimpaired the rights of the Successor Agency under or concerning any such leases, contracts or other instruments. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Bonds. In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the Successor Agency and the City, having any claim against the Trustee arising from this Indenture not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee under this Indenture for payment except as otherwise specifically provided in this Indenture.

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

(d) Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(e) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such 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.

(f) In the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

(g) The Trustee is not accountable for the use by the Successor Agency of funds which the Trustee releases to the Successor Agency or which the Successor Agency otherwise receives, or to verify compliance by the Successor Agency, or for the adequacy or validity of any collateral or security interest securing this Indenture or the Bonds. The Trustee has no obligation to incur individual financial or other liability or risk in performing any duty or in exercising any right under this Indenture.

(h) The Trustee shall not be deemed to have knowledge of any Event of Default other than a payment default under this Indenture unless the Trustee shall be specifically notified in writing of such default by the Successor Agency or by the Owners of at least 25 percent in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid. 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 in this Indenture or in any of the documents executed in connection with the Bonds. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Indenture upon the request of authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond executed and delivered in exchange therefor or in place thereof.

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

(j) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(k) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture. The Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations (fiduciary or otherwise) shall be read into this Indenture against the Trustee. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents and such immunities and exceptions and its right to

payment of its fees and expenses shall survive its resignation or removal and the final payment and defeasance of the Bonds. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds. The Trustee, in its individual or any other capacity, may become the Owner of any Bonds or other obligations of any party hereto with the same rights which it would have if not the Trustee and may act as a 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 owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding. At any and all reasonable times, the Trustee, and its agents shall have the right (but not any duty) to inspect the Project, including all books, papers and records of the Successor Agency and the City pertaining to the Project and the Bonds, and to take such memoranda therefrom and with regard thereto and make photocopies thereof as may be desired. Before taking or refraining from any action under this Indenture at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

(l) The Trustee shall not be considered in breach of or in default with respect to any obligations created under this Indenture, in the event of an enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee; provided, that in the event of any such enforced delay, the Trustee shall notify the Successor Agency in writing within five Business Days after (i) the occurrence of the event giving rise to such delay, (ii) the Trustee's actual knowledge of the impending enforced delay, or (iii) the Trustee's knowledge of sufficient facts under which a reasonable person would conclude the enforced delay will occur.

SECTION 6.04 Reliance by Trustee.

(a) The Trustee shall be protected in acting upon any notice, indenture, request, consent, order, certificate, report, bond, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the Successor Agency, with regard to legal questions.

(b) 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 such person is the registered owner of such Bond as shown on the registration books.

(c) Whenever in the administration of its duties under the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may, in the absence of negligence or

willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Successor Agency (unless other evidence in respect thereof is specifically prescribed in this Indenture) and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything in this Indenture to the contrary notwithstanding.

SECTION 6.06 Acceptance of Instructions by Electronic Transmission. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee elects to act upon such instructions, the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding whether such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use by the Successor Agency of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties. Notwithstanding the foregoing, the protection afforded to the Trustee in each provision of this paragraph shall be operative only in the absence of the Trustee's negligence or willful misconduct.

ARTICLE VII
AMENDMENT OF THE INDENTURE

SECTION 7.01 Amendment by Consent of Owners. The Indenture and the rights and obligations of the Successor Agency and of the Owners may be amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of at least a majority in aggregate principal amount of the affected Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Successor Agency to pay the interest or principal or redemption

premium, if any, at the time and place and at the rate and in the currency provided in this Indenture, of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, except as provided in Section 5.02, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Successor Agency and of the Owners may also be amended at any time by a Supplemental Indenture which shall become binding upon execution, without the consent of any Owners, but [subject to Section 10.02 and] only to the extent permitted by law, for any one or more of the following purposes:

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

(b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Successor Agency may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interest of the Owners;

(c) To modify, amend or supplement this Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds;

(d) To maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes (except with respect to the Bonds which the Successor Agency certifies to the Trustee are not intended to qualify for such exclusion);

(e) To the extent necessary to obtain a bond insurance policy, to obtain a rating on the Bonds or in connection with satisfying all or a portion of the Reserve Requirement by crediting a letter of credit or other forms of Qualified Reserve Account Credit Instrument to the Reserve Account; or

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

SECTION 7.02 Disqualified Bonds. Bonds owned or held by or for the account of the Successor Agency or the City shall not be deemed Outstanding for the purpose of any consent or other action in this Indenture provided for, and shall not be entitled to consent to, or take any other action in this Indenture provided for; provided, however, that for purposes of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held will be disregarded.

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

SECTION 7.04 Opinion of Counsel. The Trustee may conclusively accept an opinion of nationally recognized bond counsel to the Successor Agency that an amendment of the Indenture is in conformity with the provisions of this Article.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Notwithstanding anything to the contrary in this Article VIII, so long as the Bond Insurance Policy remains in effect and the Bond Insurer has not defaulted with respect to its obligations under the Bond Insurance Policy, all provisions of this Article IX shall be subject to, and qualified by, the provisions set forth in Article X hereof, including, without limitation, the Bond Insurer's right to consent to acceleration of the Bonds, and the Bond Insurer's right to consent to or direct certain Trustee, Successor Agency or Owner actions.

SECTION 8.01 Events of Default and Acceleration of Maturities. If one or more of the following events (herein called "Events of Default") shall happen, that is to say:

(a) If default shall be made in the due and punctual payment of the principal (including any Sinking Account Installment) of 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 in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(c) If default shall be made by the Successor Agency in the observance of any of its agreements, conditions or covenants contained in the Indenture or in the Bonds, and such default shall have continued for a period of 30 days after the Successor Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default under this Indenture if the Successor Agency shall commence to cure such default within said 30 day period and thereafter diligently and in good faith proceed to cure such default within said 30-day period or such longer period as the Trustee or the Owners

of a majority in aggregate principal amount of the affected Bonds then Outstanding may consent to in writing; or

(d) If the Successor Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the 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 shall assume custody or control of the Successor Agency or of the whole or any substantial part of the Successor Agency's property;

Then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, shall, by notice in writing to the Successor Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything contained in the Indenture or in the Bonds to the contrary notwithstanding.

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 money due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of interest which would have been paid on such overdue principal on such overdue installments of principal, and the fees and expenses of the Trustee, including attorneys fees, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made for the Bonds, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. No such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent on the Bonds.

SECTION 8.02 Application of Funds upon Acceleration. All money in the funds and accounts provided for in the Indenture (other than any moneys for payment of the Rebate Amount) upon the date of the declaration of acceleration by the Trustee as provided in Section 8.01, and all Tax Revenues in the Special Fund and thereafter received by the Successor Agency (which shall be promptly transmitted to the Trustee) shall be applied by the Trustee in the following order:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this article, including reasonable compensation to its agents and counsel, to the payment of any other amounts then due and payable to the Trustee, including any predecessor

trustee, with respect to or in connection with this Indenture, whether as compensation, reimbursement, indemnification or otherwise, and, thereafter, to the payment of the costs and expenses of the Owners in providing for the declaration of such Event of Default, including reasonable compensation to their agents and counsel;

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on the overdue principal to the extent permitted by law at the net effective interest rate then borne by the Outstanding Bonds; provided, however, that in the event the amount then so held by the Trustee shall be insufficient to make all the payments required by this clause, then such money shall be applied to the payment of the principal of and interest on all Outstanding Bond then due and payable ratably (based on the principal amount of Bonds owned by each Owner), without any discrimination or preferences.

SECTION 8.03 Other Remedies of Owners. Any Owner shall have the right, subject to the provisions of Section 8.08, for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce such Owner's rights against the Successor Agency and any of the members, officers and employees of the Successor Agency, and to compel the Successor Agency or any such members, officers or employees to perform and carry out their duties under the Law and their agreements with the Owners as provided in the Indenture;

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

(c) Upon the happening of an Event of Default (as defined in Section 8.01), by a suit in equity to require the Successor Agency and its members, officers and employees to account as the trustee of an express trust.

SECTION 8.04 Non-Waiver. A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner or the Trustee 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 in such default, and every power and remedy conferred upon the Owners by the Law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

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

SECTION 8.05 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 under this Indenture may be brought by the Trustee for the equal benefit and protection of all Owners, and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued under

this Indenture, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the 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 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 enforce any right or remedy unless it has been indemnified by the Owners from any liability or expense including without limitation fees and expenses of its attorneys.

SECTION 8.06 Remedies Not Exclusive. No remedy conferred upon or reserved to the Owners in this Indenture 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 under this Indenture 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 law.

SECTION 8.07 Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee under this Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

SECTION 8.08 Limitation on Owners' Right to Sue.

(a) No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (5) the Trustee shall not have received contrary directions from the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(b) Such notification, request, tender or indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under this Indenture or under law. It is understood and intended that no one or more Owners shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners, or to enforce any right under this Indenture, the Law or other applicable law with respect to the Bonds,

except in the manner provided in this Indenture. All proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in this Indenture and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

(c) Nothing in this Section or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity and Sinking Account Payment Dates, as provided in this Indenture, out of the Tax Revenues pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

ARTICLE IX
DEFEASANCE

SECTION 9.01 Discharge of Indebtedness. If the Successor Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds the interest on and the principal of such Bonds, when due, at the times and in the manner stipulated in such Bonds and in the Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of Tax Revenues, and all covenants, agreements and other obligations of the Successor Agency to the Owners of such Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute at the Written Request of the Successor Agency, and at the expense of the Successor Agency, and deliver to the Successor Agency all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall, after payment of amounts due the Trustee under this Indenture, pay over or deliver to the Successor Agency all money or securities held by the Trustee pursuant to the Indenture which are not required for the payment of the interest due on and the principal of and premium, if any, due on such Bonds other than the moneys, if any, for the payment of the applicable Rebate Amount.

Bonds for the payment of which money shall have been set aside (through deposit by the Successor Agency or otherwise) to be held in trust by the Trustee for such payment at the maturity or redemption date of such Bonds shall be deemed, as of the date of such setting aside, to have been paid within the meaning and with the effect expressed in the first paragraph of this Section.

Any Outstanding Bonds shall prior to the maturity date of such Bonds be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if:

(1) there shall have been deposited with the Trustee, or another fiduciary or escrow agent, either money in an amount which shall be sufficient, or Federal Securities (including any Federal Securities issued or held in Book-Entry form on the books of the Department of the Treasury of the United States of America), the principal of and the interest on which when paid will provide money that, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the interest due and to become due

on such Bonds on and prior to the maturity date of such Bonds or such earlier redemption date as shall be irrevocably established, and the principal of and redemption premium, if any, on such Bonds (such interest, principal and redemption premium, if any, being referred to below as the "Refunding Requirement"); provided that, unless such deposit consists of an amount in cash, which in and of itself, is sufficient to pay the Refunding Requirement in full, the sufficiency of the Federal Securities and other moneys so deposited with the Trustee, escrow agent or fiduciary shall be appropriately verified by an Independent Certified Public Accountant in a verification report.

(2) The Successor Agency shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (1) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or earlier redemption date upon which money is to be available for the payment of the principal of such Bonds.

Neither Federal Securities nor money deposited with the Trustee pursuant to this Section nor interest or principal payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of such Bonds; provided that any cash received from such interest or principal payments on such Federal Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested at the written direction of the Successor Agency in Federal Securities maturing at times and in amounts sufficient to pay when due the interest on and principal of such Bonds on and prior to such maturity date thereof, and interest earned from such reinvestments shall be maintained in the related escrow fund until such time as the Refunding Requirements have been paid in full (but solely to the extent that does not affect the Tax-Exempt status of Bonds). For the purposes of this Section, Federal Securities shall mean and include only such securities as are not subject to redemption prior to their maturity.

SECTION 9.02 Unclaimed Moneys. Anything in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest on such Bonds which remain unclaimed for two years after the date when such Bonds or interest on such Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the said date when such Bonds or interest on such Bonds become due and payable, shall be repaid by the Trustee to the Successor Agency, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor Agency for the payment of such Bonds; provided, however, that before being required to make any such payment to the Successor Agency, the Trustee shall, at the Written Request of the Successor Agency and at the expense of the Successor Agency, cause to be mailed to the registered Owners of such Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the Successor Agency. Any money held by the Trustee in trust for the payment and discharge of any Bonds shall not bear interest or be otherwise invested from and after such maturity or redemption date.

ARTICLE X
BOND INSURANCE

SECTION 10.01 Payment under Bond Insurance Policy. So long as the Bond Insurance Policy remains in full force and effect, the following provisions shall apply with respect to payments under the Bond Insurance Policy:

(a) *[to come, if applicable]*

SECTION 10.02 Additional Rights of Bond Insurer. So long as the Bond Insurance Policy shall be in full force and effect and the Bond Insurer has not defaulted with respect to its payment obligations thereunder, the following provisions shall apply:

(a) *[to come, if applicable]*

SECTION 10.03 Suspension of Rights of Bond Insurer. All rights of the Bond Insurer to direct or consent to actions of the Successor Agency, the Trustee or the Owners under this Indenture shall be (a) suspended during any period in which such Bond Insurer is then in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and (b) of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect.

ARTICLE XI
MISCELLANEOUS

SECTION 11.01 Liability of Successor Agency Limited to Tax Revenues. Notwithstanding anything contained in the Indenture, the Successor Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the interest on or the principal of the Bonds. The Successor Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose. The Successor Agency's obligation to pay the Rebate Amount to the United States of America pursuant to the Tax Certificate shall be considered the general obligation of the Successor Agency and shall be payable from any available funds of the Successor Agency.

The Bonds are limited obligations of the Successor Agency and are payable, as to interest on and principal of the Bonds, exclusively from the Tax Revenues, and the Successor Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and the principal of the Bonds. The Bonds are not a debt of the City, the State or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional

or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

SECTION 11.02 Benefits of Indenture Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Bond Insurer and the Owners any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements contained in the Indenture by and on behalf of the Successor Agency or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer and the Owners.

SECTION 11.03 Successor Deemed Included in All References to Predecessor. Whenever in the Indenture either the Successor Agency or any member, officer or employee of the Successor Agency is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Successor Agency, that are presently vested in the Successor Agency or such member, officer or employee, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Successor Agency or any member, officer or employee of the Successor Agency shall bind and inure to the benefit of the respective successors of the Successor Agency whether so expressed or not.

SECTION 11.04 Execution of Documents by Owners. Any request, consent, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise expressly provided in this Indenture, the fact and date of the execution by any Owner or such Owner's attorney of such request, consent, 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 or territory in which such Owner purports to act, that the person signing such request, consent, declaration or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise expressly provided in this Indenture, the amount of Bonds transferable by delivery held by any person executing such request, consent, declaration or other instrument or writing as an Owner, and the numbers thereof, and the date of such Owner's holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank or other depositary wherever situated, showing that at the date therein mentioned such person had on deposit with such depositary the Bonds described in such certificate. The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.08.

Any request, 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 in good faith and in accordance therewith.

SECTION 11.05 Waiver of Personal Liability. No member of the Successor Agency governing board, or officer or employee of the Successor Agency shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing contained in this Indenture shall relieve any member, officer or employee of the Successor Agency from the performance of any official duty provided by law.

SECTION 11.06 Content of Certificates and Reports. Any certificate made or given by an officer of the Successor Agency may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which such officer's Certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters or information with respect to which is in the possession of the Successor Agency, upon the certificate or opinion of or representations by an officer or officers of the Successor Agency, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in exercise of reasonable care should have known that the same were erroneous.

SECTION 11.07 Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Successor Agency or the Trustee may be established and maintained in the accounting records of the Successor Agency or the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

SECTION 11.08 Destruction of Cancelled Bonds. Whenever provision is made for the surrender of any Bonds which have been paid or canceled pursuant to the provisions of this Fiscal Agent Agreement, the Trustee shall cancel and destroy such Bonds and upon Written Request of the Successor Agency furnish to the City a certificate of such destruction.

SECTION 11.09 CUSIP Numbers. Neither the Successor Agency nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice relating thereto. The Trustee may, in its discretion, include in any redemption notice relating to any of the Bonds a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Successor Agency nor the Trustee shall be liable for any defects or inaccuracies in such numbers.

SECTION 11.10 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof provided in the Indenture to be performed on the part of the Successor Agency

(or of the Trustee) should be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof, shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Successor Agency hereby declares that it would have adopted the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase of this Indenture and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.11 Notices. Any notice, request, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled to such notice at its address set forth below, or by telecopy or other form of telecommunication, with prompt telephone confirmation. Notice shall be effective (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class, registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if by other means of personal delivery, upon receipt by the intended recipient of the notice. Each entity below may, by written notice to the other party, from time to time modify the address or number to which communications are to be given under this Indenture:

If to the Successor Agency: Successor Agency to the Turlock Redevelopment Agency
156 South Broadway, Suite 230
Turlock, CA 95380
Attention: Executive Director
Fax: (209) 668-5529
Telephone: (209) 668-5540

If to the Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services
Fax: (415) 667-3768
Telephone: (415) 677-3599

[Notices to the Bond Insurer shall be sent to the address indicated in Section 10.02(__).]

Any of the foregoing persons may, by notice given under this Section, designate any further or different addresses, telephone numbers or facsimile transmission numbers to which subsequent notices, certificates, requests or other communications shall be directed.

SECTION 11.12 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Successor Agency and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.13 Business Days. When any action is provided for in this Indenture to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.14 Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Successor Agency to the Turlock Redevelopment Agency has caused this Indenture to be signed in its name by its Authorized Officer and U.S. Bank National Association, in token of its acceptance of the trusts created under this Indenture, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By:_____
Executive Director

Attest:

_____
Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Authorized Officer

APPENDIX A

FORM OF BOND

[Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York Corporation ("DTC"), to the Successor Agency to the Turlock Redevelopment Agency or its agent for registration of transfer, exchange, or payment, and any certificate 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 persons is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No. ___ $_____

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BOND
SERIES 2016

Interest Rate	Maturity Date	Dated Date	CUSIP

REGISTERED OWNER: [CEDE & CO.]

PRINCIPAL AMOUNT:

The Successor Agency to the Turlock Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon until the principal of this bond (the "Bond") shall have been paid. Interest on this Bond shall be payable semiannually on [March 1, 2017] and thereafter on September 1 and March 1 each year (each an "Interest Payment Date"). This Bond shall bear interest at the Interest Rate specified above from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date (i.e., the 15th day of the month next preceding such Interest Payment Date) to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the dated date shown above; provided, however, that if, at the time of authentication, interest with respect to this Bond is in default, it shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to this Bond.

Both the interest on and principal of this Bond are payable in lawful money of the United States of America. The principal (or redemption price) hereof is payable upon surrender of this Bond at maturity or the earlier redemption of this Bond at the corporate trust office of U.S. Bank National Association (the "Trustee") in St. Paul, Minnesota, or at such other office as the Trustee may designate (the "Trust Office"). Interest on this Bond is payable by check mailed on each Interest Payment Date by first class mail to the person in whose name this Bond is registered at the close of business on the Record Date of the applicable Interest Payment Date at such person's address as it appears on the registration books of the Trustee, or upon written request received by the Trustee prior to the Record Date for an Interest Payment Date of an Owner of Bonds in the aggregate principal amount of $1,000,000 or more, by transfer in immediately available funds to an account within the United States designated by such Owner.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated Successor Agency to the Turlock Redevelopment Agency Tax Allocation Refunding Bonds, Series 2016 (the "Bonds"), limited in aggregate principal amount to $_____, issued under the provisions of Section 34177.5 of the California Health and Safety Code and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law"), and pursuant to the provisions of an Indenture, dated as of _____, 2016 by and between the Successor Agency and the Trustee (as the same may be amended or supplemented from time to time pursuant to the terms thereof, the "Indenture"),. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued for the purposes of effecting a refunding of outstanding loans incurred by the former Turlock Redevelopment Agency, which were incurred to finance the costs of redevelopment within the Turlock Redevelopment Project, a redevelopment project area located in the City of Turlock, California.

The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds. Subject to the terms and conditions set forth in the Indenture, additional tax allocation bonds payable from the Tax Revenues may be issued which will rank equally as to security with the Bonds, but only for the purposes of refunding a portion of the Bonds.

Reference is hereby made to the Indenture, to any supplemental indentures thereto and to the Refunding Bond Law and the Law (as amended by the Dissolution Act) for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owners of the Bonds. All the terms of the Indenture, the Refunding Bond Law and the Law (as amended by the Dissolution Act) are hereby incorporated herein and constitute a contract between the Successor Agency and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by such owner's acceptance hereof, consents and agrees. Each registered owner hereof shall have recourse to all the provisions of the Refunding Bond Law, the Law (as amended by the Dissolution Act) and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds maturing on or before September 1, 20__ shall not be subject to optional redemption prior to their maturity. The Bonds maturing on or after September 1, 20__ shall be subject to redemption as a whole or in part, from such maturities as the Successor Agency shall designate prior to their maturity at the option of the Successor Agency on any date on or after September 1, 20__, from funds derived by the Successor Agency from any source, at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on September 1, 20__ and September 1, 20__ shall be subject to mandatory sinking fund redemption in part by lot at a redemption price equal to the principal amount thereof to be redeemed, without premium, on September 1 of the years and in the aggregate respective principal amounts set forth in the Indenture.

As provided in the Indenture, notice of redemption of this Bond shall be sent by first class mail (or such other means as acceptable to the recipient of such notice) not more than 60 days and not less than 30 days prior to the redemption date, to the respective Owner of this Bond at the address appearing on the registration books of the Trustee and to certain securities depository and information services. Failure to receive such notice shall not affect the sufficiency of such proceedings for redemption. If notice of redemption has been duly given as aforesaid and money for payment of the above described redemption price is held by the Trustee, then such Bonds shall, on the redemption date designated in such notice, become due and payable at the above described redemption price; and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue and registered owners of such Bonds shall have no rights in respect thereof except to receive payment of such redemption price thereof.

If an Event of Default 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; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding.

The registered owner of any Bond(s) may surrender the same at the Trust Office in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the Trust Office by the registered owner of this Bond in person, or by such registered owner's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's duly authorized attorney, and thereupon a new fully registered Bond(s), in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Successor Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of, or on account of, the interest on and principal of and redemption premium, if any, on this Bond and for all other

purposes. The Trustee shall not be required to register the transfer or exchange of any Bond during the 15 days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have matured or been selected for redemption.

The rights and obligations of the Successor Agency and of the registered owners of the Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the maturity of this Bond, or reduce the interest rate on this Bond, or otherwise alter or impair the obligation of the Successor Agency to pay the interest on, principal of or any premium payable on the redemption of this Bond at the time and place and at the rate and in the currency provided in this Bond, without the express written consent of the registered owner of this Bond, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and all additional parity tax allocation bonds authorized by the Indenture or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

This Bond is not a debt of the City of Turlock, the State of California or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable on this Bond, nor in any event shall this Bond or any interest on this Bond or any redemption premium on this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Bonds shall be personally liable on the Bonds by reason of their issuance.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration on this Bond endorsed shall have been manually signed by the Trustee.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the Successor Agency to the Turlock Redevelopment Agency has caused this Bond to be executed in its name and on its behalf by its Chair and attested by its Secretary, and has caused this Bond to be dated the date first written above.

SUCCESSOR AGENCY TO THE TURLOCK
REDEVELOPMENT AGENCY

By:_____
Chair

Attest:

_____
Secretary

==========

[TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

Date: _____, 20__

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Authorized Officer

STATEMENT OF INSURANCE

[to come].

==========

[FORM OF ASSIGNMENT]

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

Dated:_____

Signature guaranteed:

_____

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

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

APPENDIX B

FORM OF COSTS OF ISSUANCE FUND REQUISITION

REQUISITION NO. ___

with reference to

$_____
Successor Agency to the Turlock Redevelopment Agency
Merged Downtown and Midway Redevelopment Project
Tax Allocation Refunding Bonds,
Series 2016

I. The Successor Agency to the Turlock Redevelopment Agency (the "Successor Agency") hereby requests U.S. Bank National Association, as trustee (the "Trustee") pursuant to that certain Indenture dated as of _____, 2016 (the "Indenture") between the Successor Agency and the Trustee, under the terms of which the Successor Agency has issued the above-captioned Bonds to pay from the moneys in the Costs of Issuance Fund established pursuant to Sections 4.04 of the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I. Such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule I or in invoices submitted in accordance therewith and the Trustee may rely on such payment instructions given by the Successor Agency with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

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

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

DATED: _____, 20__

SUCCESSOR AGENCY TO THE TURLOCK
REDEVELOPMENT AGENCY

By:_____
Executive Director