



AGENDA

Redevelopment Successor Agency Oversight Board Meeting

Board Chambers, Chowchilla City Hall
130 S. Second Street, Chowchilla, CA 93610

May 26, 2016

9:00 a.m.

CALL TO ORDER:

ROLL CALL

Board Chair: Manfredi

Vice Chair: Haworth

Board Members: Allison, Rogers, Green, Cox

City staff and contract employees present at the meeting will be noted in the minutes

PUBLIC ADDRESS

This time is reserved for members of the audience to address the Redevelopment Successor Agency Oversight Board on items of interest that are **not** on the Agenda and that are within the subject matter jurisdiction of the Council.

It is recommended that speakers limit their comments to **no more than 3 minutes** each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council on items on the Agenda should notify the Mayor when that Agenda item is called.

The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Council does not respond to public comment at this time.

Speakers are asked to please **use the microphone and provide their name for the record**. Prior to addressing the Council, any handouts are to be provided to Board Clerk who will distribute them to the Council and the appropriate staff.

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BOARD AND STAFF REPORTS – Section 1

1.1 BOARD REPORTS

Legislative Items

Oral / Written Reports

1.2 STAFF REPORTS

Written/Oral Reports

CONSENT CALENDAR – Section 2

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the Agency Board or any person in the audience.



MINUTES Redevelopment Successor Agency Oversight Board Meeting

Board Chambers, Chowchilla City Hall
130 S. Second Street, Chowchilla, CA 93610

January 28, 2016

9:00 a.m.

CALL TO ORDER:

ROLL CALL

Board Chair: Manfredi
Vice Chair: Haworth (absent)
Board Members: Allison, Rogers, Green (absent), Cox

City staff and contract employees present: City Administrator Brian Haddix, Finance Director Rod Pruett, Engineer/Public Works Director Craig Locke, Board Clerk Joann McClendon.

PUBLIC ADDRESS

None.

BOARD AND STAFF REPORTS – Section 1

- 1.1 BOARD REPORTS**
Legislative Items
Oral / Written Reports
- 1.2 STAFF REPORTS**
Written/Oral Reports

CONSENT CALENDAR – Section 2

- 2.1 Approval of the November 19, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes (McClendon)**

Motion by Board Member Rogers, seconded by Board Member Cox to Approve the November 18, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes. Motion passed unanimously by voice vote with Board Member Green and Board Vice Cahir Haworth absent.

PUBLIC HEARINGS – Section 3

None

DEFERRED BUSINESS – Section 4

None

NEW BUSINESS – Section 5**5.1 Agency Resolution # 01-16, Approving the Annual Recognized Obligation Payment Schedule for the Period from July 1, 2016 – June 30, 2017 (Pruett)**

Motion by Board Member Allison, seconded by Board Member Rogers to approve Agency Resolution # 01-16, Approving the Annual Recognized Obligation Payment Schedule for the Period from July 1, 2016 – June 30, 2017. Motion passed unanimously by voice vote with Board Member Green and Board Vice Chair Haworth absent.

5.2 Agency Resolution # 02-16, Approving the Purchase and Sale Agreement with Madera Industrial Development Partnership for 26.28 Acres of Vacant Real Property Located at Highway 99 and Chowchilla Boulevard (Locke)

Motion by Board Member Rogers, seconded by Board Member Haddix to approve Agency Resolution # 02-16, Approving the Purchase and Sale Agreement with Madera Industrial Development Partnership for 26.28 Acres of Vacant Real Property Located at Highway 99 and Chowchilla Boulevard. Motion passed unanimously with Board Member Green and Board Vice Chair Haworth absent.

ANNOUNCEMENTS – Section 6

February 25 Redevelopment Successor Agency Oversight Board Meeting

ADJOURNMENT

Motion to adjourn the January 28, 2016 Chowchilla Redevelopment Successor Agency Oversight Board meeting at 9:16 a.m. Motion passed unanimously by voice vote with Board Member Green and Board Vice Chair Haworth absent.

ATTEST:

APPROVED:

Joann McClendon, CMC
Board Clerk

Stell Manfredi, Chair



OVERSIGHT BOARD STAFF REPORT

Item 5.1

[CLICK HERE
TO RETURN TO
THE AGENDA](#)

Meeting May 26, 2016

AGENDA SECTION: New Business

SUBJECT: Authorization to refund the Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project)

PREPARED BY: Rod Pruett, Finance Director

REVIEWED BY
ADMINISTRATOR

X

REVIEWED BY
ATTORNEY

X

REVIEWED BY FINANCE

X

RECOMMENDATION

That the Oversight Board provide authorization for the refunding of the Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project):

BACKGROUND

In 2005 the Chowchilla Redevelopment Agency (the "Prior Agency") issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,810,000 principal amount remains outstanding.

Due to the dissolution of redevelopment agencies, the Successor Agency of the City of Chowchilla (the "Agency") now has responsibility for repayment of the 2005 Bonds. Per AB 1484, the Agency may refund existing bonds, with approval of the Oversight Board and the State Department of Finance, for the purpose of generating a debt service savings.

Based on current market interest rates that are near all-time lows, the Agency can generate an estimated total debt service savings of approximately \$1,650,000 by issuing the proposed 2016 Bonds, which will refund (repay) all outstanding 2005 Bonds. The 2005 Bonds have an interest rate on the longest term bonds of 5.00%. It is anticipated that the proposed 2016 Bonds would have an interest rate of approximately 3.50% on the longest term bonds. The term of the 2016 Bonds would not be extended, and would match the current final maturity date (8/1/2037) of the 2005 Bonds.

Based on the redevelopment dissolution laws, the Agency may retain the savings amount to the extent it has additional enforceable obligations, such as the annual administrative cost allowance of \$250,000. Otherwise, the savings amount would be split among taxing entities, including the county, school districts, and the City's general fund.

The State Department of Finance (“DOF”) is allowed 60 days to review any actions of the Oversight Board to approve refunding bond issues. The Oversight Board meeting to approve the action of the Successor Agency with regards to the 2016 Bonds is scheduled for May 26, 2016, so the DOF would have until the end of July to review the proposed 2016 Bonds.

The final rate structure will be determined when the 2016 Bonds are priced and sold, which is expected to occur by the third week of August 2016.

DOCUMENTS

The Indenture of Trust defines the payment terms and conditions of 2016 Bonds, and establishes the funds and accounts that will be held by the Trustee on behalf of the Agency, including a debt service reserve account.

The Escrow Agreement will establish the Escrow Account that will be used to repay the 2005 Bonds in full after the 2016 Bonds have closed, which is anticipated to occur by the middle of September, 2016.

Other documents necessary for the issuance of the 2016 Bonds, including a preliminary official statement and a bond purchase agreement will be presented to the Agency for approval at a future meeting, closer to the expected bond pricing date. It is anticipated that these additional documents will be presented to the Agency for consideration at the second meeting in late June 2016.

The forms of the Indenture and the Escrow Agreement are on file with the City Clerk. Bud Levine of Wulff Hansen & Co. will be at the meeting to answer any questions.

FISCAL IMPACT

By refunding the 2005 Bonds, the Agency can generate an estimated total debt service savings of \$1,650,000, net of all costs of issuance, or about \$85,000 annually. The repayment of principal and interest on the 2016 Bonds will be payable solely from Tax Revenues, which is tax increment revenues from the Project Area deposited into the Agency’s Redevelopment Property Tax Trust Fund (“RPTTF”), and available after satisfying certain administrative costs of the County and pass through obligations to affected taxing entities. The 2016 Bonds will not be a debt of the City’s general fund or the State, or any of its political subdivisions (except the Agency). Since the City receives approximately 18.5% of the total property tax levy, the general fund will receive an approximately \$15,500 additional annual revenues to the general fund. The other taxing entities will share in the rest.

ATTACHMENTS

Oversight Board Resolution
Debt Service Savings Analysis
Escrow Agreement
Indenture
Refunding Schedule
Successor Agency Signed Resolution

**OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE CITY OF CHOWCHILLA**

RESOLUTION # 03-16

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF
THE CITY OF CHOWCHILLA, CALIFORNIA, APPROVING THE ISSUANCE OF
REFUNDING BONDS OF THE SUCCESSOR AGENCY OF THE CITY OF
CHOWCHILLA, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE
REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO**

WHEREAS, the Chowchilla Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law");

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to section 34173, the Successor Agency of the City of Chowchilla (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to section 34179, this Oversight Board has been established for the Successor Agency;

WHEREAS, a redevelopment plan for the Former Agency's Chowchilla Redevelopment Project in the City of Chowchilla (the "City") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, the Oversight Board is informed by the Successor Agency that prior to the dissolution of the Former Agency, the Former Agency issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,810,000 principal amount remains outstanding;

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to 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 Law") for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay or defease and refund all or a portion of the Former Agency Obligations (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds will satisfy the Savings Parameters;

WHEREAS, the Successor Agency by its resolution adopted on May 10, 2016 (the "Successor Agency Resolution") approved the issuance of its Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016, to refund the 2005 Bonds (the "Bonds"), pursuant to section 34177.5(a)(1);

WHEREAS, in the Successor Agency Resolution, the Successor Agency also authorized the execution and delivery of a indenture of trust, by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Indenture"), and an escrow agreement, by and between the Successor Agency and U.S. Bank National Association, as escrow bank;

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Bonds pursuant to the Successor Agency Resolution and the Indenture and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Bonds;

WHEREAS, the Successor Agency has determined to sell the Bonds to Brandis Tallman LLC (the "Underwriter") pursuant to the terms of a bond purchase agreement to be entered into by the Successor Agency and the Underwriter;

WHEREAS, following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of the Successor Agency Resolution and this Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, the Municipal Advisor and its fiscal consultant, cause to be prepared a form of official statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds, and a bond purchase agreement between the Successor Agency and the Underwriter will be prepared, the preliminary form of which will be submitted to the Successor Agency for approval; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Bonds to provide funds to refund and defease the 2005 Bonds, as evidenced by the Debt Service Savings Analysis on file with the Secretary to the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 3. Direction and Approval of Issuance of the Bonds. As authorized by section

34177.5(f), the Oversight Board hereby approves the issuance by the Successor Agency of the Bonds pursuant to section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in the aggregate principal amount of not to exceed \$7,000,000, provided that the principal and interest payable with respect to the Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Bonds or any portion thereof.

SECTION 4. Sale and Delivery of Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Bonds, then the Oversight Board approves the sale and delivery of the Bonds from time to time in part. In the event the Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional series of the Bonds without the prior approval of this Oversight Board provided that in each such instance the Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 5. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Bonds:

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

(b) The application of the proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the 2005 Bonds, as well as the payment by the Successor Agency of costs of issuance of the Bonds, including municipal bond insurance and reserve fund surety bond premiums, if required, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Madera County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to section 34183. In addition and as provided by section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the 2005 Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

SECTION 6. Effective Date. Pursuant to section 34177(f) and section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

SECTION 7. Certification. The Secretary shall confirm the passage and adoption hereof.

PASSED AND ADOPTED by the Successor Agency Oversight Board of the City of Chowchilla at a regular meeting held on the 26th day of May, 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

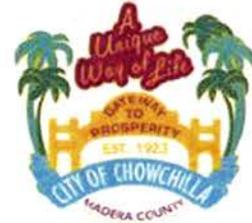
APPROVED:

Stell Manfredi, Chair

ATTEST:

Joann McClendon, CMC
Board Clerk

CITY OF CHOWCHILLA
2016 Tax Allocation Refunding Bonds
(2005 Tax Allocation Bonds)
Summary of Refunding Results
Friday, May 06, 2016



Public Offering
A- (U/L), Insured

REFUNDING BONDS

Cost of Defeasance @ 8/30/2016 for call date of 9/29/2016	6,677,132
Estimated Costs of Issuance (1)	329,374
Prior Reserve Fund	549,650
Original Issue Premium	476,855
New Reserve Fund	Surety
Par Amount	5,980,000
Arbitrage Yield (subject to market fluctuation)	2.78%
All-In True Interest Cost	3.40%
Final Maturity (August 1)	2036

AVERAGE ANNUAL NET DEBT SERVICE (2)

Existing Debt Service	510,111
New Debt Service	424,882
Average Savings	85,229

TOTAL NET DEBT SERVICE (2)

Existing Debt Service	10,162,895
New Debt Service	8,497,645
Savings	1,665,250
Net Present Value Savings	1,281,401
Net Present Value Savings %	19.34%

(1) Includes financial advisor, bond counsel, disclosure counsel, fiscal consultant, verification, trustee, rating, bond insurance, surety, City admin. fee, underwriter's discount, and printing/miscellaneous.

(2) Includes prior reserve fund and interest earnings thereon.

Sources and Uses of Funds
 City of Chowchilla
 2016 Tax Allocation Refunding Bonds (Series 2005)
 Public Offering
 Assumes AGM Insured / A- (U/L)

<u>Sources:</u>		
<u>Bond Proceeds:</u>		
Par Amount	5,980,000.00	
Net Premium	476,855.15	
	6,456,855.15	
 <u>Other Sources of Funds:</u>		
Prior RF Balance (as of 6/30/14)	549,650.00	
	7,006,505.15	
 <u>Uses:</u>		
<u>Refunding Escrow Deposits:</u>		
Cash Deposit	6,677,131.53	
 <u>Delivery Date Expenses:</u>		
Cost of Issuance	188,000.00	
Underwriter's Discount	59,800.00	
Bond Insurance	63,732.34	
Surety	17,517.82	
	329,050.16	
 <u>Other Uses of Funds:</u>		
Additional Proceeds	323.46	
	7,006,505.15	

Escrow Requirements
City of Chowchilla
2016 Tax Allocation Refunding Bonds (Series 2005)
Public Offering
Assumes AGM Insured / A- (U/L)

Period Ending	Interest	Principal Redeemed	Total
9/29/2016	52,131.53	6,625,000.00	6,677,131.53
	52,131.53	6,625,000.00	6,677,131.53

Cost of Issuance
City of Chowchilla
2016 Tax Allocation Refunding Bonds (Series 2005)
Public Offering
Assumes AGM Insured / A- (U/L)

<u>Cost of Issuance</u>	<u>Amount</u>
Bond Counsel	45,000.00
Disclosure Counsel	25,000.00
Financial Advisor	45,000.00
Trustee	6,000.00
Rating Fee	15,000.00
Verification	2,500.00
Printing/Misc./Contingency	7,500.00
Fiscal Consultant	22,000.00
City Administration Fee	20,000.00
	<u>188,000.00</u>

Bond Summary Statistics
 City of Chowchilla
 2016 Tax Allocation Refunding Bonds (Series 2005)
 Public Offering
 Assumes AGM Insured / A- (U/L)

Dated Date	8/30/2016
Delivery Date	8/30/2016
Last Maturity	8/1/2036
Arbitrage Yield	2.779114%
True Interest Cost (TIC)	2.923457%
Net Interest Cost (NIC)	3.061715%
All-In TIC	3.396908%
Average Coupon	3.669594%
Average Life (years)	11.473
Weighted Average Maturity (years)	11.427
Par Amount	5,980,000.00
Bond Proceeds	6,456,855.15
Total Interest	2,517,645.42
Net Interest	2,100,590.27
Total Debt Service	8,497,645.42
Maximum Annual Debt Service	437,945.42
Average Annual Debt Service	426,600.52
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000

Total Underwriter's Discount	10.000000
Bid Price	106.974166

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	5,980,000.00	107.974	3.670%	11.473
	5,980,000.00			11.473

	TIC	All-In TIC	Arbitrage Yield
	-----	-----	-----
Par Value	5,980,000.00	5,980,000.00	5,980,000.00
+ Accrued Interest			
+ Premium (Discount)	476,855.15	476,855.15	476,855.15
- Underwriter's Discount	(59,800.00)	(59,800.00)	
- Cost of Issuance Expense		(188,000.00)	
- Other Amounts		(81,250.16)	(81,250.16)
	-----	-----	-----
Target Value	6,397,055.15	6,127,804.99	6,375,604.99
Target Date	8/30/2016	8/30/2016	8/30/2016
Yield	2.923457%	3.396908%	2.779114%

Prior Bond Debt Service
City of Chowchilla
2016 Tax Allocation Refunding Bonds (Series 2005)
Public Offering
Assumes AGM Insured / A- (U/L)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
2/1/2017			161,787.50	161,787.50	
8/1/2017	195,000	**	161,787.50	356,787.50	518,575.00
2/1/2018			157,381.25	157,381.25	
8/1/2018	205,000	**	157,381.25	362,381.25	519,762.50
2/1/2019			152,762.50	152,762.50	
8/1/2019	210,000	**	152,762.50	362,762.50	515,525.00
2/1/2020			147,950.00	147,950.00	
8/1/2020	220,000	**	147,950.00	367,950.00	515,900.00
2/1/2021			142,812.50	142,812.50	
8/1/2021	230,000	**	142,812.50	372,812.50	515,625.00
2/1/2022			137,437.50	137,437.50	
8/1/2022	240,000	**	137,437.50	377,437.50	514,875.00
2/1/2023			131,837.50	131,837.50	
8/1/2023	255,000	**	131,837.50	386,837.50	518,675.00
2/1/2024			125,875.00	125,875.00	
8/1/2024	265,000	**	125,875.00	390,875.00	516,750.00
2/1/2025			119,675.00	119,675.00	
8/1/2025	280,000	**	119,675.00	399,675.00	519,350.00
2/1/2026			113,125.00	113,125.00	
8/1/2026	290,000	5.000%	113,125.00	403,125.00	516,250.00
2/1/2027			105,875.00	105,875.00	
8/1/2027	305,000	5.000%	105,875.00	410,875.00	516,750.00
2/1/2028			98,250.00	98,250.00	
8/1/2028	320,000	5.000%	98,250.00	418,250.00	516,500.00
2/1/2029			90,250.00	90,250.00	
8/1/2029	335,000	5.000%	90,250.00	425,250.00	515,500.00
2/1/2030			81,875.00	81,875.00	
8/1/2030	355,000	5.000%	81,875.00	436,875.00	518,750.00
2/1/2031			73,000.00	73,000.00	
8/1/2031	365,000	5.000%	73,000.00	438,000.00	511,000.00
2/1/2032			63,875.00	63,875.00	
8/1/2032	375,000	5.000%	63,875.00	438,875.00	502,750.00
2/1/2033			54,500.00	54,500.00	
8/1/2033	395,000	5.000%	54,500.00	449,500.00	504,000.00
2/1/2034			44,625.00	44,625.00	
8/1/2034	415,000	5.000%	44,625.00	459,625.00	504,250.00
2/1/2035			34,250.00	34,250.00	
8/1/2035	435,000	5.000%	34,250.00	469,250.00	503,500.00
2/1/2036			23,375.00	23,375.00	
8/1/2036	455,000	5.000%	23,375.00	478,375.00	501,750.00
2/1/2037			12,000.00	12,000.00	
8/1/2037	480,000	5.000%	12,000.00	492,000.00	504,000.00
	6,625,000		4,145,037.50	10,770,037.50	10,770,037.50

Bond Debt Service
 City of Chowchilla
 2016 Tax Allocation Refunding Bonds (Series 2005)
 Public Offering
 Assumes AGM Insured / A- (U/L)

Dated Date 8/30/2016
 Delivery
 Date 8/30/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
2/1/2017			88,020.42	88,020.42	
8/1/2017	245,000	2.000%	104,925.00	349,925.00	437,945.42
2/1/2018			102,475.00	102,475.00	
8/1/2018	225,000	2.000%	102,475.00	327,475.00	429,950.00
2/1/2019			100,225.00	100,225.00	
8/1/2019	225,000	3.000%	100,225.00	325,225.00	425,450.00
2/1/2020			96,850.00	96,850.00	
8/1/2020	235,000	3.000%	96,850.00	331,850.00	428,700.00
2/1/2021			93,325.00	93,325.00	
8/1/2021	240,000	3.000%	93,325.00	333,325.00	426,650.00
2/1/2022			89,725.00	89,725.00	
8/1/2022	245,000	3.000%	89,725.00	334,725.00	424,450.00
2/1/2023			86,050.00	86,050.00	
8/1/2023	260,000	3.000%	86,050.00	346,050.00	432,100.00
2/1/2024			82,150.00	82,150.00	
8/1/2024	265,000	4.000%	82,150.00	347,150.00	429,300.00
2/1/2025			76,850.00	76,850.00	
8/1/2025	280,000	4.000%	76,850.00	356,850.00	433,700.00
2/1/2026			71,250.00	71,250.00	
8/1/2026	285,000	4.000%	71,250.00	356,250.00	427,500.00
2/1/2027			65,550.00	65,550.00	
8/1/2027	295,000	4.000%	65,550.00	360,550.00	426,100.00
2/1/2028			59,650.00	59,650.00	
8/1/2028	310,000	4.000%	59,650.00	369,650.00	429,300.00
2/1/2029			53,450.00	53,450.00	
8/1/2029	320,000	4.000%	53,450.00	373,450.00	426,900.00
2/1/2030			47,050.00	47,050.00	
8/1/2030	335,000	4.000%	47,050.00	382,050.00	429,100.00
2/1/2031			40,350.00	40,350.00	
8/1/2031	340,000	4.000%	40,350.00	380,350.00	420,700.00
2/1/2032			33,550.00	33,550.00	
8/1/2032	345,000	4.000%	33,550.00	378,550.00	412,100.00
2/1/2033			26,650.00	26,650.00	
8/1/2033	365,000	4.000%	26,650.00	391,650.00	418,300.00
2/1/2034			19,350.00	19,350.00	
8/1/2034	375,000	4.000%	19,350.00	394,350.00	413,700.00
2/1/2035			11,850.00	11,850.00	
8/1/2035	390,000	3.000%	11,850.00	401,850.00	413,700.00
2/1/2036			6,000.00	6,000.00	
8/1/2036	400,000	3.000%	6,000.00	406,000.00	412,000.00
	5,980,000		2,517,645.42	8,497,645.42	8,497,645.42

Bond Pricing
 City of Chowchilla
 2016 Tax Allocation Refunding Bonds (Series 2005)
 Public Offering
 Assumes AGM Insured / A- (U/L)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)	Principal Cost
Bond Component:												
	8/1/2017	245,000	2.000%	0.890%	101.013						2,481.85	247,481.85
	8/1/2018	225,000	2.000%	0.990%	101.915						4,308.75	229,308.75
	8/1/2019	225,000	3.000%	1.150%	105.295						11,913.75	236,913.75
	8/1/2020	235,000	3.000%	1.290%	106.514						15,307.90	250,307.90
	8/1/2021	240,000	3.000%	1.470%	107.234						17,361.60	257,361.60
	8/1/2022	245,000	3.000%	1.640%	107.641						18,720.45	263,720.45
	8/1/2023	260,000	3.000%	1.810%	107.705						20,033.00	280,033.00
	8/1/2024	265,000	4.000%	1.910%	115.291						40,521.15	305,521.15
	8/1/2025	280,000	4.000%	2.020%	116.085						45,038.00	325,038.00
	8/1/2026	285,000	4.000%	2.150%	116.445						46,868.25	331,868.25
	8/1/2027	295,000	4.000%	2.570%	112.449 C	2.677%	8/1/2026	100.000	8/1/2026	100.000	36,724.55	331,724.55
	8/1/2028	310,000	4.000%	2.650%	111.706 C	2.836%	8/1/2026	100.000	8/1/2026	100.000	36,288.60	346,288.60
	8/1/2029	320,000	4.000%	2.740%	110.877 C	2.979%	8/1/2026	100.000	8/1/2026	100.000	34,806.40	354,806.40
	8/1/2030	335,000	4.000%	2.790%	110.420 C	3.074%	8/1/2026	100.000	8/1/2026	100.000	34,907.00	369,907.00
	8/1/2031	340,000	4.000%	2.850%	109.874 C	3.164%	8/1/2026	100.000	8/1/2026	100.000	33,571.60	373,571.60
	8/1/2032	345,000	4.000%	2.910%	109.331 C	3.245%	8/1/2026	100.000	8/1/2026	100.000	32,191.95	377,191.95
	8/1/2033	365,000	4.000%	2.970%	108.791 C	3.317%	8/1/2026	100.000	8/1/2026	100.000	32,087.15	397,087.15
	8/1/2034	375,000	4.000%	3.030%	108.254 C	3.382%	8/1/2026	100.000	8/1/2026	100.000	30,952.50	405,952.50
	8/1/2035	390,000	3.000%	3.120%	98.293						(6,657.30)	383,342.70
	8/1/2036	400,000	3.000%	3.180%	97.357						(10,572.00)	389,428.00
		5,980,000									476,855.15	6,456,855.15

Dated Date	8/30/2016	
Delivery Date	8/30/2016	
First Coupon	2/1/2017	
Par Amount	5,980,000.00	
Premium	476,855.15	
Production	6,456,855.15	107.974166%
Underwriter's Discount	(59,800.00)	(1.000000)
Purchase Price	6,397,055.15	106.974166%
Accrued Interest		
Net Proceeds	6,397,055.15	

Savings
 City of Chowchilla
 2016 Tax Allocation Refunding Bonds (Series 2005)
 Public Offering
 Assumes AGM Insured / A- (U/L)

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 08/30/2016 @ 2.7791141%
2/1/2017	161,787.50	1,152.74	160,634.76	88,020.42	72,614.34		71,778.56
8/1/2017	356,787.50	1,374.13	355,413.37	349,925.00	5,488.37	78,102.71	5,350.85
2/1/2018	157,381.25	1,374.13	156,007.12	102,475.00	53,532.12		51,475.47
8/1/2018	362,381.25	1,374.13	361,007.12	327,475.00	33,532.12	87,064.24	31,801.95
2/1/2019	152,762.50	1,374.13	151,388.37	100,225.00	51,163.37		47,858.45
8/1/2019	362,762.50	1,374.13	361,388.37	325,225.00	36,163.37	87,326.74	33,363.77
2/1/2020	147,950.00	1,374.13	146,575.87	96,850.00	49,725.87		45,247.58
8/1/2020	367,950.00	1,374.13	366,575.87	331,850.00	34,725.87	84,451.74	31,165.41
2/1/2021	142,812.50	1,374.13	141,438.37	93,325.00	48,113.37		42,588.50
8/1/2021	372,812.50	1,374.13	371,438.37	333,325.00	38,113.37	86,226.74	33,274.43
2/1/2022	137,437.50	1,374.13	136,063.37	89,725.00	46,338.37		39,900.73
8/1/2022	377,437.50	1,374.13	376,063.37	334,725.00	41,338.37	87,676.74	35,107.52
2/1/2023	131,837.50	1,374.13	130,463.37	86,050.00	44,413.37		37,202.09
8/1/2023	386,837.50	1,374.13	385,463.37	346,050.00	39,413.37	83,826.74	32,561.47
2/1/2024	125,875.00	1,374.13	124,500.87	82,150.00	42,350.87		34,508.77
8/1/2024	390,875.00	1,374.13	389,500.87	347,150.00	42,350.87	84,701.74	34,035.83
2/1/2025	119,675.00	1,374.13	118,300.87	76,850.00	41,450.87		32,855.98
8/1/2025	399,675.00	1,374.13	398,300.87	356,850.00	41,450.87	82,901.74	32,405.68
2/1/2026	113,125.00	1,374.13	111,750.87	71,250.00	40,500.87		31,229.04
8/1/2026	403,125.00	1,374.13	401,750.87	356,250.00	45,500.87	86,001.74	34,603.56
2/1/2027	105,875.00	1,374.13	104,500.87	65,550.00	38,950.87		29,216.29
8/1/2027	410,875.00	1,374.13	409,500.87	360,550.00	48,950.87	87,901.74	36,213.88
2/1/2028	98,250.00	1,374.13	96,875.87	59,650.00	37,225.87		27,162.28
8/1/2028	418,250.00	1,374.13	416,875.87	369,650.00	47,225.87	84,451.74	33,986.63
2/1/2029	90,250.00	1,374.13	88,875.87	53,450.00	35,425.87		25,145.22
8/1/2029	425,250.00	1,374.13	423,875.87	373,450.00	50,425.87	85,851.74	35,301.66
2/1/2030	81,875.00	1,374.13	80,500.87	47,050.00	33,450.87		23,097.02
8/1/2030	436,875.00	1,374.13	435,500.87	382,050.00	53,450.87	86,901.74	36,400.72
2/1/2031	73,000.00	1,374.13	71,625.87	40,350.00	31,275.87		21,007.36
8/1/2031	438,000.00	1,374.13	436,625.87	380,350.00	56,275.87	87,551.74	37,281.30
2/1/2032	63,875.00	1,374.13	62,500.87	33,550.00	28,950.87		18,916.34
8/1/2032	438,875.00	1,374.13	437,500.87	378,550.00	58,950.87	87,901.74	37,990.29
2/1/2033	54,500.00	1,374.13	53,125.87	26,650.00	26,475.87		16,828.27
8/1/2033	449,500.00	1,374.13	448,125.87	391,650.00	56,475.87	82,951.74	35,404.53
2/1/2034	44,625.00	1,374.13	43,250.87	19,350.00	23,900.87		14,778.02
8/1/2034	459,625.00	1,374.13	458,250.87	394,350.00	63,900.87	87,801.74	38,968.73
2/1/2035	34,250.00	1,374.13	32,875.87	11,850.00	21,025.87		12,646.50
8/1/2035	469,250.00	1,374.13	467,875.87	401,850.00	66,025.87	87,051.74	39,168.52
2/1/2036	23,375.00	1,374.13	22,000.87	6,000.00	16,000.87		9,362.10
8/1/2036	478,375.00	1,374.13	477,000.87	406,000.00	71,000.87	87,001.74	40,973.23
2/1/2037	12,000.00	1,374.13	10,625.87		10,625.87		6,047.94
8/1/2037	492,000.00	551,024.13	(59,024.13)		(59,024.13)	(48,398.26)	(33,134.44)
	10,770,037.50	607,142.07	10,162,895.43	8,497,645.42	1,665,250.01	1,665,250.01	1,281,078.01

Savings Summary

PV of savings from cash flow	1,281,078.01
Plus: Refunding funds on hand	323.46

Net PV Savings	1,281,401.47

Summary of Refunding Results
City of Chowchilla
2016 Tax Allocation Refunding Bonds (Series 2005)
Public Offering
Assumes AGM Insured / A- (U/L)

Dated Date	8/30/2016
Delivery Date	8/30/2016
Arbitrage yield	2.779114%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	5,980,000.00
True Interest Cost	2.923457%
Net Interest Cost	3.061715%
All-In TIC	3.396908%
Average Coupon	3.669594%
Average Life	11.473
Weighted Average Maturity	11.427
Par amount of refunded bonds	6,625,000.00
Average coupon of refunded bonds	4.955373%
Average life of refunded bonds	12.547
Remaining weighted average maturity of refunded bonds	12.547
PV of prior debt to 08/30/2016 @ 2.779114%	8,115,534.97
Net PV Savings	1,281,401.47
Percentage savings of refunded bonds	19.341909%
Percentage savings of refunding bonds	21.428118%

ESCROW AGREEMENT

by and between the

SUCCESSOR AGENCY OF THE CITY OF THE CHOWCHILLA

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

Dated August 30, 2016

Relating to the current refunding of the outstanding
Chowchilla Redevelopment Agency
Tax Allocation Bonds, Series 2005
(Chowchilla Redevelopment Project)

ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into this 30th day of August, 2016, by and between the SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA, as successor to the former Chowchilla Redevelopment Agency, a public entity, organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Phoenix, Arizona, and being qualified to accept and administer the funds and accounts hereby created, as successor trustee with respect to the hereinafter described 2005 Bonds and as escrow agent hereunder (the "Escrow Bank");

WITNESSETH:

WHEREAS, the Chowchilla Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), including the power to issue bonds for any of its corporate purposes;

WHEREAS, the Former Agency has previously issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds");

WHEREAS, the 2005 Bonds were issued pursuant to an indenture of trust, dated as of December 1, 2005 (the "2005 Indenture"), by and between the Former Agency and U.S. Bank National Association, as trustee (the "2005 Trustee");

WHEREAS, the 2005 Indenture provides that if the Successor Agency shall pay and provide for the entire indebtedness on all or any portion of the 2005 Bonds by irrevocably depositing cash or non-callable Defeasance Obligations (as defined in the 2005 Indenture) with the 2005 Trustee in such amount as will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the 2005 Indenture, be fully sufficient to pay and discharge the indebtedness on all or such portion of the 2005 Bonds (including all principal, interest and redemption premiums) at or before maturity, and if the 2005 Bonds are to be redeemed prior to the maturity thereof, and notice of such redemption is given pursuant to the 2005 Indenture or provision satisfactory to the 2005 Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any 2005 Bonds shall not have been surrendered for payment, the pledge of the Revenues (as defined in the 2005 Indenture) and other funds provided for in the 2005 Indenture and all other obligations of the 2005 Trustee and the Successor Agency under the 2005 Indenture with respect to all or such portion of the 2005 Bonds shall cease and terminate, except only the obligations of the 2005 Trustee to transfer and exchange the 2005 Bonds thereunder and except the obligations of the Successor Agency to pay or cause to be paid to the owners of the 2005 Bonds not so surrendered and paid all sums due thereon and all expenses and costs of the 2005 Trustee; and thereafter Revenues shall not be payable to the 2005 Trustee;

WHEREAS, the Successor Agency has determined that, due to prevailing financial market conditions, it is in the best interests of the Successor Agency at this time to provide for the redemption of the 2005 Bonds in full on September 19, 2016 (the "Redemption Date") at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to such date (the "Redemption Price");

WHEREAS, to raise funds necessary to effectuate such refunding, and for other purposes, the Successor Agency has issued its Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016 (the "2016 Bonds"), pursuant to an Indenture of Trust, dated as of August 1, 2016 (the "2016 Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "2016 Trustee");

WHEREAS, the Successor Agency wishes to make a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and escrow created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Bank. The Successor Agency hereby appoints the Escrow Bank as escrow agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the Successor Agency with, and to be held by, the Escrow Bank, as security for the defeasance and redemption of the 2005 Bonds, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the Successor Agency and for the benefit of the owners of the 2005 Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall constitute a special fund for the defeasance and redemption of the 2005 Bonds in accordance with the provisions of the 2005 Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency.

Section 3. Deposit into Escrow Fund.

(a) Concurrently with delivery of the Bonds, the Successor Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____, derived as follows:

(i) from the proceeds of the 2016 Bonds, the sum of \$_____; and

(ii) from amounts on deposit in the reserve account created for the 2005 Bonds (the "2005 Reserve Account"), the sum of \$_____.

(b) The Escrow Bank shall hold all amounts deposited in the Escrow Fund in cash, uninvested. The moneys held by the Escrow Bank in the Escrow Fund shall be used solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2005 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be paid to the Successor Agency.

Section 4. Instructions as to Application of Deposit; Redemption Notice.

(a) The moneys deposited in the Escrow Fund pursuant to Section 3 shall be applied by the Escrow Bank for the sole purpose of redeeming the outstanding 2005 Bonds in full on the Redemption Date at the Redemption Price, all as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2005 Trustee, has been previously requested, and the Escrow Bank, as 2005 Trustee, previously agreed to give timely notice of the redemption of the 2005 Bonds on the Redemption Date in accordance with the applicable provisions of the 2005 Indenture.

Section 5. Application of 2005 Funds.

(a) On the date of deposit of amounts in the Escrow Fund pursuant to Section 3, the Escrow Bank, as 2005 Trustee, is hereby directed to withdraw all amounts on deposit in the 2005 Reserve Account (\$_____) and transfer such sum to the Escrow Fund.

(b) Any amounts remaining on deposit in any fund or account established under the 2005 Indenture relating to the 2005 Bonds, including any investment earnings received after the date of original delivery of the 2016 Bonds, shall be transferred by the Escrow Bank to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund established under the 2016 Indenture.

Section 6. Application of Certain Terms of 2005 Indenture. All of the terms of the 2005 Indenture relating to the making of payments of principal and interest with respect to the 2005 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2005 Indenture relating to the limitations from liability and protections afforded the 2005 Trustee and the resignation and removal of the 2005 Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 7. Compensation to Escrow Bank. The Successor Agency shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Successor Agency shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Successor Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth in Section 3 hereof, or any payment, transfer or

other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the Successor Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth in Section 3 hereof or to the validity of this Escrow Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the Successor Agency.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

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

The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow

Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 8 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

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 revive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

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

The Escrow Bank may execute any of the obligations or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2005 Bonds shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Successor Agency and the Successor Agency, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2005 Bonds or the 2016 Bonds, and that such amendment will not cause interest on the 2005 Bonds or the 2016 Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the Successor Agency to each rating agency then rating the 2005 Bonds.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2005 Bonds.

Section 11. Notice of Escrow Bank, Agency and Successor Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2005 Trustee in accordance with the provisions of the 2005 Indenture. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2005 Indenture (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2005 Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Execution in Several Counterparts. This Escrow Agreement 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 shall together constitute but one and the same instrument.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA has caused this Escrow Agreement to be signed in its name by its Executive Director and U.S. BANK NATIONAL ASSOCIATION in token of its acceptance of the escrow created hereunder, has caused this Escrow Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

SUCCESSOR AGENCY OF THE CITY OF
CHOWCHILLA

By _____
Brian Haddix
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank and 2005 Trustee

By _____
Authorized Signatory

EXHIBIT A
REDEMPTION SCHEDULE

Date	Scheduled Principal	Optionally Called Principal	Interest	Redemption Premium	Total Payment
09/19/16	—	\$6,625,000		—	

INDENTURE OF TRUST

Dated as of August 1, 2016

by and between the

SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Relating to
\$ _____
Successor Agency of the City of Chowchilla
(Madera County, California)
Tax Allocation Refunding Bonds, Series 2016

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EXHIBIT A: FORM OF BONDS

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is dated as of August 1, 2016, by and between the SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA, a public body duly organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

RECITALS:

WHEREAS, the Redevelopment Agency of the City of Chowchilla (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), including the power to issue bonds for any of its corporate purposes;

WHEREAS, a redevelopment plan for the Former Agency's Chowchilla Redevelopment Project in the City of Chowchilla (the "City") has been adopted in compliance with all requirements of the Law (the "Redevelopment Project");

WHEREAS, the Former Agency issued its Chowchilla Redevelopment Agency Tax Allocation Refunding Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,625,000 principal amount remains outstanding;

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

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

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

WHEREAS, on or about June 27, 2012, the California Legislature adopted AB 1484 as a trailer bill in connection with the 2012-13 California Budget;

WHEREAS, AB 1484 added various provisions to the Law, including section 34177.5(a)(1) thereof which specifically authorizes the issuance of refunding bonds by the Successor Agency in certain circumstances to refund bonds and indebtedness of the Former Agency;

WHEREAS, on or about September 17, 2015, the California Legislature adopted SB 107 as a trailer bill in connection with the 2015-16 California Budget;

WHEREAS, SB 107 revised various provisions of the Law, including removing certain time limits affecting the number of tax dollars and other statutory limitations on redevelopment plans;

WHEREAS, section 34179 of the Law established an oversight board (the "Oversight Board") for the Successor Agency;

WHEREAS, the Successor Agency has determined that, due to prevailing financial market conditions, it is in the best interests of the Successor Agency at this time to refinance redevelopment activities within and for the benefit of the Redevelopment Project and, in particular, to refund the 2005 Bonds;

WHEREAS, to provide moneys to refund the 2005 Bonds, the Successor Agency has determined to issue its Successor Agency of the City of Chowchilla (Madera County, California), Tax Allocation Refunding Bonds, Series 2016, in the aggregate principal amount of \$_____ (the "Bonds"), under the provisions of section 34177.5(g) of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code;

WHEREAS, the Successor Agency has determined that the total net interest cost to maturity of the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to maturity of the 2005 Bonds to be refunded plus the principal amount of the 2005 Bonds to be refunded;

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

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

A G R E E M E N T :

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds and Parity Debt are retired as scheduled, and (b) the principal or sinking fund amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

“Bond Proceeds Account” means the temporary account on the Trustee’s records to facilitate the deposits and transfers of the proceeds of the Bonds.

“Bond Year” means any twelve-month period beginning on August 2 in any year and ending on the next succeeding August 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on August 1, 2017.

“Bonds” means the \$_____ Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016, and, when the context requires, any Parity Debt.

“Business Day” means a day of the year, other than a Saturday or Sunday, on which banks in Los Angeles and San Francisco, California, are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

“City” means City of Chowchilla, California.

“Closing Date” means August 30, 2016, the date on which the Bonds are delivered by the Successor Agency to the original purchaser thereof.

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

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds and the refunding and prepayment of the Prior Agency Obligations (as defined in the recitals hereto), including but not limited to printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, Escrow Bank fees and those of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for the Municipal Bond Insurance Policy and the Reserve Policy and any other cost, charge or fee in connection with the issuance of the Bonds and the refunding and prepayment of the Prior Agency Obligations.

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

"County" means Madera County, California.

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

"Defeasance Obligations" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's, and (g) or any combination of the foregoing.

"Dissolution Act" means Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the California Health and Safety Code, as amended.

"Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the Escrow Bank, to provide for the defeasance and redemption of the 2005 Bonds.

"Escrow Bank" means U.S. Bank National Association, as escrow bank under the Escrow Agreement, or any successor thereto appointed as escrow bank thereunder.

"Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the Escrow Agreement.

"Event of Default" means any of the events described in Section 8.01.

"Federal Securities" means (a) cash (insured at all times by the Federal Deposit Insurance Corporation), and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month

period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"Former Agency" means the former Chowchilla Redevelopment Agency.

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

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Financial Consultant" means any financial consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of Redevelopment Project; (b) is in fact independent and not under domination of the Successor Agency; (c) does not have any substantial interest, direct or indirect, with the Successor Agency; and (d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

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

"Interest Payment Date" means February 1 and August 1 in each year, commencing February 1, 2017, so long as any of the Bonds remain Outstanding hereunder.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late

Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Municipal Bond Insurer in its sole and absolute discretion shall specify.

"Law" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the California Health and Safety Code, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year following the anticipated issuance of Bonds and Parity Debt.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Municipal Bond Insurance Policy" means the Municipal Bond Insurance Policy issued by the Municipal Bond Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.

"Municipal Bond Insurer" means _____, or any successor thereto.

"Original Purchaser" means Brandis Tallman LLC, the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 10.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

"Oversight Board" means the oversight board to the Successor Agency duly constituted from time to time pursuant to section 34179 of the Dissolution Act.

"Owner" or "Bondowner" or "Bond Owner," when used with respect to the Bonds, means the person in whose name the ownership of the Bonds shall be registered on the Bond Registration Books.

"Parity Debt" means any loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the Bonds pursuant to Section 3.04.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

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

and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
2. U.S. Farmers Home Administration (FmHA)
Certificates of Beneficial Ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration
Participation Certificates
6. Government National Mortgage Association (GNMA or Ginnie Mae)
GNMA—guaranteed mortgage-backed bonds
GNMA—guaranteed pass-through obligations
7. U.S. Maritime Administration
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations
3. Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations
6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which invest solely in Federal Securities, if rated by S&P, having a rating of AAAM-G; and if rated by Moody's having a rating of Aaa, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC including those of the Trustee or its affiliates or secured at all times by collateral described in (a) and/or (b) above.

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

(h) Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) The Local Agency Investment Fund of the State, created pursuant to section 16429.1 of the California Government Code.

(j) Other forms of investments that satisfy the Successor Agency's Statement of Investment Policy.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03.

"Principal Corporate Trust Office" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being at 101 North 1st Avenue, Suite 1600, Phoenix, AZ 85003, except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, initially in Los Angeles, California.

"Rating Category" means any generic rating category of Moody's or S&P, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"Recognized Obligation Payment Schedule" or *"ROPS"* means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (l) of section 34177 of the Dissolution Act.

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

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

“Redevelopment Obligation Retirement Fund” means the fund by that name referenced in Section 4.02 of this Indenture.

“Redevelopment Plan” means the redevelopment plan for the Chowchilla Redevelopment Project approved by the City Council of the City pursuant to Ordinance No. 419-01, enacted on July 9, 2001, as amended.

“Redevelopment Project” means the area of the undertaking pursuant to the *Redevelopment Plan*, together with any amendments of such redevelopment plan at any time duly authorized pursuant to the Law.

“Refunding Bond Law” means, collectively, section 34177.5(g) of the Law and section 53580 *et seq.* of the California Government Code

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

“Report” means a document in writing signed by an Independent Financial Consultant or an Independent Redevelopment Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

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

“Reserve Agreement” means the Debt Service Reserve Agreement, dated the Closing Date, by and between the Successor Agency and the Municipal Bond Insurer.

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Municipal Bond Insurer in lieu of a cash funded reserve fund for the Bonds in an amount equal to the Reserve Requirement.

“Reserve Requirement” means, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds and any Parity Debt. On the Closing Date, such amount is being \$_____.

“Responsible Officer” means any Vice President, Assistant Vice President or Trust Officer of the Trustee with responsibility for matters related to this Indenture.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., New York, New York, or its successors.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Certificate of the Successor Agency delivered to the Trustee.

"Sinking Account" means the account by that name established and held by the Trustee pursuant to Section 4.03.

"State" means the State of California.

"Statutory Pass-Through Amounts" means all amounts required to be paid to affected taxing agencies pursuant to sections 33607.5 and/or 33607.7 of the Law and section 34183 of the Dissolution Act.

"Successor Agency" means the Successor Agency of the City of Chowchilla, as successor to the Former Agency, a public body corporate and politic duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Revenues" means the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of (a) County administrative fees pursuant to section 34183(a) of the Dissolution Act, and (b) the Statutory Pass-Through Amounts, to the extent not subordinated to the use of Tax Revenues for the payment of amounts due under this Indenture. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution. The Successor Agency hereby represents that Statutory Pass-Through Amounts have been subordinated to the use of Tax Revenues to repay the Bonds.

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

"2005 Bonds" means the Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005, outstanding in the principal amount of \$6,625,000.

"Written Request of the Successor Agency" or *"Written Certificate of the Successor Agency"* means a request or certificate, in writing signed by the Chairman, the Executive Director or the Treasurer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Bonds.

(a) Bonds in the aggregate principal amount of _____ dollars (\$_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Refunding Bond Law. The Bonds shall be designated the "Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016."

(b) This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02. Terms of Bonds.

(a) The Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds shall mature on August 1 in the years and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(b) Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; *provided however*, that payment of interest may be by wire transfer to an account in the United States of America to

any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee on or before the applicable Record Date. Such instructions shall remain in effect until rescinded in writing by the Owner. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or redemption (except for Sinking Account redemptions which do not require presentment for payment), at the Principal Corporate Trust Office. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

(c) The Bonds shall be dated as of their date of delivery and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) the Bonds are authenticated on or before January 15, 2017, in which event they shall bear interest from their date of delivery; *provided, however*, that if, as of the date of authentication of the Bonds, interest thereon is in default, the Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of Bonds.

(a) *Optional Redemption.* The Bonds maturing on or before August 1, ____, are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, ____, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, ____, as a whole or in part, by such maturities as shall be determined by the Successor Agency (and, in lieu of such determination, *pro rata* among maturities), and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) with a designation of the maturities to be redeemed at least forty-five (45), but not more than seventy-five (75) days, prior to the date fixed for such redemption, or such lesser number of days as shall be agreed to by the Trustee in the sole determination of the Trustee.

(b) *Sinking Account Redemption.* The Bonds maturing on August 1, ____ (“Term Bonds”), are subject to mandatory redemption from Sinking Account payments set forth in the following schedule on August 1, ____, and on each August 1 thereafter, to and including August 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a *pro rata* basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee. If any Sinking Account redemption date is not a Business Day, such payment shall be made on the next succeeding Business Day.

Redemption Date (August 1)	Principal Amount
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† Maturity.

(c) *Notice of Redemption.* The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the Successor Agency filed with the Trustee at the time the Successor Agency notifies the Trustee of its intention to redeem Bonds; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered (except for mandatory Sinking Account redemptions) at the Principal Corporate Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds under Section 2.03(a) above, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

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

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

(e) *Manner of Redemption.* Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be canceled and destroyed as provided in Section 10.07 hereof.

(f) *Selection of Bonds for Redemption.* Whenever provision (other than pursuant to Section 2.03(b)) is made in this Indenture for the redemption of Bonds and less than all Bonds then currently outstanding are called for redemption, the Trustee will select Bonds for redemption from Bonds then currently Outstanding and not previously called for redemption, at the written direction of the Successor Agency in such order of maturity as shall be designated by the Successor Agency, and in the absence of such direction, *pro rata* among maturities and by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the Bonds so selected for redemption.

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

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Chairman and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a Certificate of Authentication in the form hereinafter set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.09 hereof, the temporary Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06.

The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

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

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

Section 2.08. Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity for the Trustee and the Successor Agency satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may

require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. CUSIP Numbers. The Trustee and the Successor Agency shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond, check, advise of payment or redemption notice and any such document may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Successor Agency nor the Trustee shall be liable for any inaccuracy in such numbers.

Section 2.12. Book-Entry Only System. It is intended that the Bonds, be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds in the name of Southwest Securities, Inc. and shall thereafter be assigned to and registered in the name of Cede & Co., as nominee of DTC. The Successor Agency and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a representation letter in the form required by DTC (the "Representation Letter"). In the event of any conflict between the terms of any such letter or agreement, including the Representation Letter, and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

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

in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representation Letter.

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

Section 2.13. Successor Securities Depository; Transfers Outside Book Entry-Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Successor Agency, without the consent of any other person, but following written notice to the Successor Agency and the Trustee, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to the foregoing provisions, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Successor Agency, at the expense of the Successor Agency, is obligated to deliver Bond certificates to the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the books of the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or name Bondowner transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. The Successor Agency may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Successor Agency, or such depository's agent or designee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS;
PARITY DEBT

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

Section 3.02. Application of Proceeds of Sale.

(a) Upon the receipt of payment for the Bonds on the Closing Date of \$_____, being the principal amount of the Bonds of \$_____.00, less an underwriter's discount of \$_____, plus a net original issue premium of \$_____, less \$_____ being the premium for the Municipal Bond Insurance Policy and less \$_____ being the premium for the Reserve Policy (which premiums were paid by the Original Purchaser as an accommodation to the Successor Agency), the Trustee shall deposit the proceeds of sale thereof in the Bond Proceeds Account and then apply such proceeds as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund;

(ii) The Trustee shall transfer the amount of \$_____ to the Escrow Bank for deposit in the Escrow Fund.

(b) Upon the application of the proceeds as set forth above, the Trustee shall close the Bond Proceeds Account. The Trustee may establish, as it deems necessary, a temporary fund or account on its records to facilitate the deposits and transfers set forth herein.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On November 30, 2016, or upon the earlier Written Request of the Successor Agency, any moneys remaining on deposit in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account and the Costs of Issuance Fund shall be closed.

Section 3.04. Issuance of Parity Debt. In addition to the Bonds, the Successor Agency may issue or incur Parity Debt only to refund the Bonds in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee. The Successor Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in this Indenture;

(b) The Oversight Board shall have approved the issuance of the Parity Debt.

(c) The Parity Debt will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for bonds substantially in accordance with this Indenture, and the deposit of moneys or a surety bond into the Reserve Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Debt;

(d) Receipt of a certificate or opinion of an Independent Financial Consultant stating that the total net interest cost to maturity of the Parity Debt plus the principal amount of the Parity Debt will not exceed the total net interest cost to maturity of the Bonds or previously issued Parity Debt to be refunded plus the principal amount of the Bonds or previously issued Parity Debt to be refunded.

(e) The Parity Debt will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Debt until either the next succeeding February 1 or August 1).

Section 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any additional Parity Debt shall be equally secured by a pledge and lien on all of the Tax Revenues and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

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

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to section 34170.5 of the Dissolution Act. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts received therein to the Debt Service Fund established and held by the Trustee under this Indenture until such time during such Bond Year as the amounts so transferred to the Debt Service Fund hereunder equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to Section 4.03 of this Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There are hereby created accounts within the Debt Service Fund as set forth below, to be known respectively as the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective accounts within the Debt Service Fund, in the following order of priority:

(a) *Interest Account.* On or before the fifth Business Day preceding each Interest Payment Date, commencing with the February 1, 2017, Interest Payment Date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date. No such

transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt. Subject to this Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to this Indenture).

(b) *Principal Account.* On or before the fifth Business Day preceding each Interest Payment Date, commencing with the August 1, 2017, Interest Payment Date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on Outstanding Bonds and Parity Debt on the next August 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on the next August 1 on all Outstanding Bonds and Parity Debt. Subject to this Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds and Parity Debt as it becomes due and payable.

(c) *Sinking Account.* On or before the fifth Business Day preceding each Interest Payment Date, commencing August 1, ____, Interest Payment Date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Sinking Account an amount equal to one-half of the sinking account payment becoming due and payable on Outstanding Bonds and Parity Debt on the next August 1. No such transfer and deposit need be made to the Sinking Account if the amount contained therein is at least equal to the sinking account payments to become due on the next August 1 on all Outstanding Bonds and Parity Debt. Subject to this Indenture, all moneys in the Sinking Account will be used and withdrawn by the Trustee solely for the purpose of paying the aggregate principal amount of the Bonds and term bonds relating to Parity Debt required to be redeemed on such August 1 pursuant to Section 2.03(b).

(d) *Reserve Account.*

(i) In lieu of a cash deposit to the Reserve Account, the Reserve Policy shall be delivered to the Trustee on the Closing Date. The prior written consent of the Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the Reserve Account.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the Bonds then coming due and payable, the Trustee shall apply the moneys available in the Reserve Account to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a "Credit Facility"). Payment of any Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a *pro rata* basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in

the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such amount shall be deposited in the Reserve Account to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.

The Reserve Account may be maintained at the specific direction of the Successor Agency in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and Parity Debt in conformity with applicable provisions of the Tax Code.

The Successor Agency has no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Policy.

(ii) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Municipal Bond Insurer at the Late Payment Rate.

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

Amounts in respect of Policy Costs paid to the Municipal Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Municipal Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider

of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(iii) Draws under the Reserve Policy may only be used to make payments on Bonds (but not Parity Debt).

(iv) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(v) This Indenture shall not be discharged until all Policy Costs owing to the Municipal Bond Insurer shall have been paid in full. The Successor Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(vi) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Municipal Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.

(vii) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

With respect to the Reserve Policy, notwithstanding anything to the contrary set forth in this Indenture, the Successor Agency and the Trustee agree to comply with the terms of the Reserve Agreement.

(e) *Redemption Account.* On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, other than through mandatory Sinking Account redemption, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account (which the Trustee shall thereupon establish and hold in trust hereunder) an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption.

ARTICLE V

COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Covenants of the Successor Agency. As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and any Parity Debt and will tend to make them more marketable; *provided, however*, that the covenants do not require the Successor Agency to expend any funds other than the Tax Revenues:

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

(b) *No Priority*. The Successor Agency covenants and agrees 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 prior or superior to the lien of the Bonds. Except as permitted by Section 3.04 hereof, it will not issue any obligations, payable as to principal or interest, from the Tax Revenues, which have any lien upon the Tax Revenues on a parity with the Bonds authorized herein. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all of the Outstanding Bonds and Parity Debt, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Tax Revenues which is junior to the Bonds, or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Tax Revenues. As used herein "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

(c) *Punctual Payment*. The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds on the date, at the place and in the manner provided in the Bonds.

(d) *Payment of Taxes and Other Charges*. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Redevelopment Project, 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.

(e) *Books and Accounts; Financial Statements*. The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts

(separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Tax Revenues and other funds relating to the Redevelopment Project. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a post-audit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the post-audit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such post-audits.

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

(g) *Disposition of Property.* The Successor Agency covenants and agrees that it will not dispose of land area in the Redevelopment Project (except property in effect on the date this Indenture is adopted as planned for public use, or property to be used for public streets, public off-street parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Tax Revenues to be less than 1.25 times Maximum Annual Debt Service, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

(h) *Protection of Security and Rights of Bondowners.* The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (i) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (A) the Law is unconstitutional or (B) that the Tax Revenues pledged under this Indenture cannot be paid to the Successor Agency for the debt service on the Bonds or (ii) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Tax Revenues, the senior lien position of the Bonds to the Statutory Pass-Through Amounts.

(i) *Tax Covenants.* The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds and tax-exempt Parity Debt will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Tax Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(i) **Rebate Requirement.** The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor Agency shall determine that any amounts are due and payable to the United States of America hereunder and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account, the Sinking Account and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the Bonds) to make such payment, the

Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (a) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established hereunder, plus (b) all other amounts due and payable to the United States of America.

(ii) **Private Business Use Limitation.** The Successor Agency shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become "private activity bonds" within the meaning of section 141(a) of the Tax Code.

(iii) **Private Loan Limitation.** The Successor Agency shall assure that no more than five percent (5%) of the net proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

(iv) **Federal Guarantee Prohibition.** The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

(v) **No Arbitrage.** The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Tax Code.

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

(k) *Compliance with Dissolution Act.* The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder and under the Reserve Agreement. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely (i) principal of, and interest on, the Bonds coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service Schedule attached hereto as Exhibit B and hereby made a part hereof and (ii) all amounts due and payable to the Municipal Bond Insurer in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

(l) *Processing ROPS.* Not later than February 1 in each year, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller which shall include the following: (i) all scheduled interest payments on all Outstanding Bonds and Parity Debt of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal and

mandatory sinking fund redemption payments on all Outstanding Bonds an Parity Debt of the Successor Agency that are due and payable during the next calendar year, (iii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or in any indenture relating to Parity Debt, and (v) and all amounts due and payable to the Municipal Bond Insurer in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

In the event that the Successor Agency fails to timely file any Recognized Obligation Payment Schedule related to the Bonds for any period, the Successor Agency designates the Municipal Bond Insurer as its attorney in fact with the power to file a Recognized Obligation Payment Schedule with respect to the Bonds.

The Successor Agency further agrees (a) to the extent permitted by law, to amend any ROPS filing for any period during which amounts owned to the Municipal Bond Insurer either with respect to the Bond Insurance Policy or the Reserve Policy are not included on such ROPS filing, and (b) not to submit a last and final ROPS under the Dissolution Act without the prior written consent of the Municipal Bond Insurer.

(m) *Dissolution Act Invalid; Maintenance of Tax Revenues.* In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State..

(o) *Continuing Disclosure.* The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.01(o).

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 6.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall immediately appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture

and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section 6.01 in succession to the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 6.01.

Section 6.02. Merger or Consolidation. Any bank, national banking association, corporation or trust company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank, national banking association, corporation or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association, corporation or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association, corporation or trust company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

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

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

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the Special Fund and the investment and application of moneys on deposit in the Special Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service by the Successor Agency or with respect to the observance or performance by the Successor Agency to the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

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

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and shall be entitled to opinion and advice of counsel concerning all matters of trust and its duties hereunder. The Trustee shall not be responsible for any action taken or not taken on the part of any agent, attorney or receiver appointed with due care by it hereunder.

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

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

Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds. The Trustee shall not be accountable for the use or application by the Successor Agency or any other party of any funds which the Trustee has released in accordance with the terms of this Indenture. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, agents and attorneys. Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Article VI.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of 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 or terrorists, acts of a government, acts of the other party, 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 zoning or other 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.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, opinion or other paper or document believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or Report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured

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

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession as provided in Section 6.08 hereof and shall be subject at all reasonable times upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

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

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

Section 6.07. Deposit and Investment of Moneys in Funds. Subject to the provisions of Article V hereof, all moneys held by the Trustee in the Debt Service Fund, Costs of Issuance Fund or the Redemption Account, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any fund or account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall invest such moneys solely in Permitted Investments described in subsection (d) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Successor Agency specifying a specific money market

fund and, if no such written direction is so received, the Trustee shall hold such moneys uninvested.

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

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

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

Obligations purchased as an investment of moneys in any of the funds or accounts shall be deemed at all times to be a part of such respective Fund or Account and the interest accruing thereon and any gain realized from an investment shall be credited to such Fund or Account and any loss resulting from any authorized investment shall be charged to such Fund or Account without liability to the Trustee. The Successor Agency or the Trustee, as the case may be, shall sell or present for redemption any obligation purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Indenture and shall incur no liability for any loss realized upon such a sale. All interest earnings received on any monies invested in the Interest Account, the Principal Account, the Sinking Account, the Redemption Account or the Reserve Account, to the extent they exceed the amount required to be in such Account, shall be transferred on each Interest Payment Date to the Debt Service Fund. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 6.07. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.07 hereof. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency, at least monthly, cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the

Successor Agency in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations hereunder, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture and which include detail for all investment transactions effected by the Trustee or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee shall maintain and store such records for a period of one year after the stated maturity of the Bonds.

Section 6.09. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; *provided, however*, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

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

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes:

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

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

(c) to provide for the issuance of Parity Debt in accordance with Section 3.04; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of nationally recognized bond counsel.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners and that all conditions precedent for any supplement or amendment have been satisfied.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the

Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency, the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure within 120 days; or

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

Section 8.02. Remedies of Bondowners. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

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

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

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

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondowner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Bondowner thereof, or to

authorize the Trustee to vote in respect of the claim of any Bondowner in any such proceeding without the approval of the Bondowners so affected.

Section 8.03. Application of Funds. All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of, and during the continuation of, an Event of Default, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

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

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made Written Request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such Written Request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section 8.04 or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged

hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Debt shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact; *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Successor Agency, the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation of this Indenture, and all covenants, stipulations, promises and agreements in this Indenture shall be for the sole and exclusive benefit of the Successor Agency, the Trustee, their officers, employees and agents, and the Owners.

ARTICLE X

PROVISIONS RELATING TO THE MUNICIPAL BOND
INSURER AND THE MUNICIPAL BOND INSURANCE POLICY

[TO COME]

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 10.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.03. Discharge of Indenture. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or an escrow agent, in trust or in escrow, as applicable, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(c) by irrevocably depositing with the Trustee or another fiduciary, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion of (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(c) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the Successor Agency under Section 6.06 hereof, and (d) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall

be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

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

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

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

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

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, *provided, however*, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 10.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency shall specify to the Trustee those Bonds disqualified pursuant to this Section 10.05.

Section 10.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the Successor Agency provide the Successor Agency a certificate of destruction.

Section 10.08. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first

class, registered or certified mail, postage prepaid, or sent by overnight mail, courier, fax or other electronic transmission, addressed as follows:

If to the Successor Agency: Successor Agency of the City of Chowchilla
c/o City of Chowchilla
130 South Second Street
Chowchilla, CA 93610
Attention: City Administrator
Phone: () -

If to the Trustee: U.S. Bank National Association
101 North 1st Avenue, Suite 1600
Phoenix, AZ 85003
Attention: Global Corporate Trust Services
Phone: (602) -

If to the Municipal Bond Insurer: _____

Attention: _____
Phone: () -

The Successor Agency and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable. such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 10.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 10.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

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

SUCCESSOR AGENCY OF THE CITY OF
CHOWCHILLA

By _____
Brian Haddix
Executive Director

Attest:

Joann McClendon
Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Michelle Knutson
Account Manager

EXHIBIT A
FORM OF BONDS

United States of America
State of California
County of Madera

SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA
Tax Allocation Refunding Bond, Series 2016

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	August 1, _____	August 30, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA, a public body duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before January 15, 2017, in which event it shall bear interest from the Dated Date above; *provided however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on each February 1 and August 1, commencing February 1, 2017 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the Principal Corporate Trust Office (as such term is defined in the Indenture) of U.S. Bank National Association, as trustee (the "Trustee"), or at such other place as designated by the Trustee. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written

instructions of any such registered owner filed with the Trustee for that purpose on or before the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016" (the "Bonds"), of an aggregate principal amount of _____ dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption and other provisions) and all issued pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code and pursuant to a resolution of the Successor Agency adopted on May 24, 2016, a resolution of the Oversight Board of the Successor Agency of the City of Chowchilla, adopted on May 26, 2016, and an Indenture of Trust, dated as of August 1, 2016, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law") for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are being issued for the purpose of (a) providing funds to the Successor Agency to refund certain outstanding obligations incurred by the former Chowchilla Redevelopment Agency (the "Former Agency"), payable from tax increment revenue generated in the Chowchilla Redevelopment Project established in the City of Chowchilla (the "City"), as identified in the Indenture, (b) funding a reserve fund for the Bonds, and (c) paying the costs of issuing the Bonds.

The Bonds are special obligations of the Successor Agency and this Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Indenture), are payable from, and are secured by a pledge of, security interest in and lien on the Tax Revenues being the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 the California Health and Safety Code, as provided in paragraph (2) of subdivision (a) of section 34183 of the California Health and Safety Code. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 the California Health and Safety Code are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to section 33670 of the California Health and Safety Code or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

There has been created and will be maintained by the Successor Agency, the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment of the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all

times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be to, or otherwise liable for, the payment of principal or of interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or before August 1, ____, are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, ____, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, ____, as a whole or in part, by such maturities as shall be determined by the Successor Agency (and, in lieu of such determination, *pro rata* among maturities), and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

The Bonds maturing on August 1, ____, are also subject to mandatory redemption from sinking fund payments made by the Successor Agency, in part by lot, on August 1, ____, and on each August 1 to and including August 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

Redemption Date (August 1)	Principal Amount
-------------------------------	---------------------

† Maturity.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption. Notices of optional redemption may be conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and if the Trustee does not receive sufficient funds by the scheduled redemption date the redemption shall not occur and the Bonds for which notice of redemption was given shall remain outstanding for all purposes of the Indenture.

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

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

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

aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bonds during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, or (b) any Bonds selected for redemption.

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

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

This Bond is not a debt of the City of Chowchilla, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this 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.

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

Unless this certificate is presented by an authorized representative of The Depository Trust Company; a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any 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 PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Former Redevelopment Agency of the City of Chowchilla has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chair and attested by the facsimile signature of its Secretary, all as of Dated Date stated above.

SUCCESSOR AGENCY OF THE CITY OF
CHOWCHILLA

By _____
Chair

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

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

the within Bond and do(es) hereby irrevocably constitute and appoint

_____,
attorney, to transfer the same on the registration books of the Trustee, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stock brokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17 Ad-15.

NOTICE: 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.

EXHIBIT B

RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE

<u>Interest Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2/1/17			
8/1/17			
2/1/18			
8/1/18			
2/1/19			
8/1/19			
2/1/20			
8/1/20			
2/1/21			
8/1/21			
2/1/22			
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8/1/30			
2/1/31			
8/1/31			
2/1/32			
8/1/32			
2/1/33			
8/1/33			
2/1/34			
8/1/34			
2/1/35			
8/1/35			
2/1/36			
8/1/36			
Total	<u> </u>	<u> </u>	<u> </u>

**SUCCESSOR AGENCY OF CITY OF CHOWCHILLA
Tax Allocation Refunding Bonds, Series 2016**

FINANCING SCHEDULE

2016

May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Date	Action
2016	
May 3	Distribution of 1 st draft of legal documents
May 10	Successor Agency adopts resolution authorizing issuance of Refunding Bonds and approves documents
May 12	Conference call to review legal documents (2:00-3:00 pm) (Call-in number: 888-909-7654; Passcode: 719338#)
May 13	Distribution of 2 nd draft of legal documents
May 18	Resolution and Documents to Oversight Board for Agenda packet
May 26	Oversight Board adopts resolution approving actions of the Successor Agency
May 27	Submission to Department of Finance (DOF)
Jun 1	Distribution of 1 st draft of Fiscal Consultants Report
Jun 8	Distribution of 1 st draft of POS Contact Rating Agency and Insurers
Jun 15	Conference call to review POS and Fiscal Consultants Report
Jun 17	2 nd draft of POS and Fiscal Consultants Report Documents to Rating Agency
Jun 21	Agenda deadline for Jun 28 th Agency meeting
Jun 28	Successor Agency adopts resolution approving POS and BPA
Jul 27	Receipt of approval from DOF (May be sooner if DOF acts)
Jul 28	Receipt of Rating
Jul 29	Receipt of Insurance Bids
Aug 2	Select Insurer
Aug 3	Mail POS
Aug 17	Bonds sale
Aug 18	Mail Redemption Notice
Aug 30	Closing
Sep 19	Redemption

SUCCESSOR AGENCY RESOLUTION # 03-16

RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA, CALIFORNIA, APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE FORMER CHOWCHILLA REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND AN ESCROW AGREEMENT RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Chowchilla Redevelopment Agency (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to section 34173, and the Successor Agency of the City of Chowchilla (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, a redevelopment plan for the Former Agency's Chowchilla Redevelopment Project in the City of Chowchilla (the "City") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,810,000 principal amount remains outstanding;

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to 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 Law") for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay or refund all or a portion of the Former Agency Obligations (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds will satisfy the Savings Parameters;

WHEREAS, the Successor Agency desires at this time to authorize the issuance of its Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016, to refund the 2005 Bonds (the "Bonds"), pursuant to an indenture of trust (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, pursuant to section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency;

WHEREAS, the Successor Agency is now requesting that the Oversight Board approve the issuance of the Bonds pursuant to this Resolution and the Indenture;

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Bonds;

WHEREAS, the Successor Agency has determined to sell the Bonds to Brandis Tallman LLC (the "Underwriter") pursuant to the terms of a bond purchase agreement to be entered into by the Successor Agency and the Underwriter; and

WHEREAS, following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of this Resolution and a resolution of approval of the Oversight Board (the "Oversight Board Resolution") to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, the Municipal Advisor and its fiscal consultant, cause to be prepared a form of official statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds, and a bond purchase agreement between the Successor Agency and the Underwriter will be prepared, the preliminary form of which will be submitted to the Successor Agency for approval.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Successor Agency of the City of Chowchilla hereby finds and determines the following:

SECTION 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency to the Bonds to provide funds to refund and defease the 2005 Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency Secretary, which Debt Service Savings Analysis is hereby approved.

SECTION. 2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$7,000,000, provided that the Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

SECTION 3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Bonds and the application of the proceeds of the Bonds in the form on file with the Successor Agency Secretary. The Chair of the Successor Agency and the Executive Director (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed to execute and deliver, and the Successor Agency Secretary, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency in such form, together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Escrow Agreement. The form of escrow agreement, by and between the Successor Agency and U.S. Bank National Association, as escrow bank, relating to the refunding and defeasance of the 2005 Bonds (the "Escrow Agreement"), in the form on file with the Successor Agency Secretary, is hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement.

SECTION 5. Municipal Bond Insurance and Surety Bond. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Bonds and reserve account surety bond for the Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and the Underwriter, that such municipal bond insurance policy and/or surety bond will reduce the interest cost with respect to the Bonds.

SECTION 6. Approval of Official Statement and Bond Purchase Agreement.

(a) Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of this Resolution and the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, its fiscal consultant and the Municipal Advisor, cause to be prepared a form of official statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds.

(b) Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of this Resolution and the Oversight Board Resolution to the California Department of Finance, the Underwriter will cause to be prepared a form of bond purchase agreement, the preliminary form of which will be submitted to the Successor Agency for approval.

SECTION 7. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board, as authorized by section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and, as authorized by section 34177.5(f) and section 34180, to approve the issuance of the Bonds pursuant to section 34177.5(a)(1) this Resolution and the Indenture.

SECTION 8. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Bonds:

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

(b) The application of the proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the 2005 Bonds, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in section 34177.5(a), including municipal bond insurance and reserve fund surety bond premiums, if required, shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Madera County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to section 34183. In addition and as provided by section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the 2005 Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

SECTION 9. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency Secretary is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in section 34180(j) with the Madera County Administrative Officer, the Madera County Auditor-Controller and the California Department of Finance.

SECTION 10. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 11. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 12. Certification. The Secretary shall certify to the passage and adoption hereof.

PASSED AND ADOPTED by the Redevelopment Successor Agency of the City of Chowchilla this 10th day of May, 2016 by the following vote to wit:

AYES: 5 – Haworth, Walker, Chavez, Gaumnitz, Ahmed

NOES: 0

ABSENT: 0

ABSTAIN: 0

APPROVED:



Waseem Ahmed, Mayor/Board Chair

ATTEST:



Joann McClendon, CMC
City/Board Clerk