

SHASTA COUNTY CONSOLIDATED OVERSIGHT BOARD

AGENDA

SPECIAL MEETING
WEDNESDAY, MAY 17, 2023
9:00 AM

SHASTA COUNTY ADMINISTRATION CENTER
BOARD CHAMBERS
1450 COURT STREET, ROOM 263
REDDING, CA 96001

1) CALL TO ORDER

2) PLEDGE OF ALLEGIANCE

3) BOARD MATTERS

- a) None

4) ROLL CALL

5) PUBLIC COMMENT

Members of the public may directly address the Oversight Board on any agenda item before or during the Board's consideration of the item. In addition, the Oversight Board provides the members of the public with a Public Comment period, where the public may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Oversight Board. Pursuant to the Brown Act (Govt. Code section 54950, et seq.), **Board action or discussion cannot be taken** on non-agenda matters, but the Board may briefly respond to statements or questions and, if deemed necessary, refer the subject matter to the appropriate agency for follow-up and/or to schedule the matter on a subsequent Board Agenda.

6) CONSENT CALENDAR

- a) Approval of minutes from January 17, 2023 meeting.

7) REGULAR CALENDAR

- a) Take the following action: Adopt a resolution authorizing City of Redding as Successor Agency to the Former Redding Redevelopment Agency to refund certain Redding Redevelopment Agency obligations resulting in debt service savings that will be shared by all affected taxing entities in the SHASTEC Redevelopment Project Area.

8) ADJOURN

SHASTA COUNTY CONSOLIDATED OVERSIGHT BOARD

MINUTES

ANNUAL MEETING - Tuesday, January 17, 2023

CALL TO ORDER - The meeting was called to order at 9:00 AM by Jill Ault, Chairperson.

PLEDGE OF ALLEGIANCE - Pledge of Allegiance to the Flag was led by Jill Ault, Chairperson.

BOARD MATTERS

- None

ROLL CALL

Roll call was taken, with appointees present, as follows; Rob Marvin, Brandi Greene, Jeff Avery, Jill Ault, and Patrick Jones.

Also present were Auditor-Controller staff members: Nolda Short, Auditor-Controller; Rich Vietheer, Assistant Auditor-Controller; Michelle Gambill, Chief Deputy Auditor; Debra Edwards, Chief Deputy Auditor; and Jean Amaz, Auditor Accountant Supervisor.

Also present were representatives from the following successor agencies; Tanis Boucher, City of Redding; and Jessica Lugo, City of Shasta Lake.

NO PUBLIC COMMENT REQUESTED

- There was no public comment

CONSENT CALENDAR

- Jeff Avery asked a question to clarify City of Redding's ROPS, which Tanis Boucher, City of Redding, responded and answered the question.
- Chairperson Ault called for a motion to approve the Consent Calendar. Motion to approve the Consent Calendar was made by Jeff Avery, seconded by Patrick Jones, and unanimously passed.

REGULAR CALENDAR

- None

ADJOURNED – Chairperson Ault adjourned the meeting at 9:04 AM.

DRAFT

REPORT TO SHASTA COUNTY CONSOLIDATED OVERSIGHT BOARD

SUBJECT		BOARD MEETING DATE	AGENDA NUMBER
Resolution authorizing the Successor Agency to the Redding Redevelopment Agency to refund outstanding tax allocation bonds, for debt service savings		05/17/23	2023-07
AGENCY	City of Redding as Successor Agency to the Redding Redevelopment Agency		
AGENCY CONTACT	<u>Name</u> Tanis Boucher	<u>Title</u> Accountant	<u>Phone Number</u> (530) 225-4084

RECOMMENDATION

Adopt Resolution authorizing the City of Redding as Successor Agency to the Redding Redevelopment Agency to refund certain outstanding Redding Redevelopment Agency obligations. This action will result in debt service savings that will be shared by all affected taxing entities in the SHASTECC Redevelopment Project Area.

DISCUSSION

The SHASTECC Redevelopment Project Area was formed in 2003 as a joint project between the Cities of Anderson and Redding and the County of Shasta, and their (former) respective redevelopment agencies, pursuant to a Project Formation and Administration Agreement (the "Agreement"). In 2006, Tax Allocation Bonds (the "2006 Bonds") were issued by the (former) Redding Redevelopment Agency, as the lead administrative Agency for the SHASTECC Redevelopment Project Area (the "Project Area"), to fund eligible project costs.

The 2006 Bonds were issued in a principal amount of \$15,000,000, of which \$9,535,000 remains outstanding. The 2006 Bonds have interest rates ranging from 4.50% to 5.00% on the outstanding bonds. Based on current market interest rates, the 2006 Bonds may be refunded to produce total debt service savings of approximately \$2.3 million.

All redevelopment agencies were dissolved by the state in February of 2012, and the remaining outstanding debt of such agencies are administered by successor agencies. Pursuant to Health and Safety Code Section 34177.5(a)(1) successor agencies may refund outstanding bonds to provide debt service savings, as long as the total interest cost and principal payments on the refunding bonds is less than the total remaining interest cost and outstanding principal on the bonds being refunded, and that the principal amount of the refunding bonds does not exceed the amount necessary to defease the outstanding bonds, establish a reserve fund, and pay costs of issuance.

The proceeds of the refunding bond issue (the "2023 Bonds") will be applied to pay the cost of an optional redemption of all outstanding 2006 Bonds, without premium, on or about September 1, 2023 and related costs for bond insurance and/or reserve fund surety and costs of issuance. The final term date of the 2023 Bonds will not exceed the final term date of the 2006 Bonds (September 1, 2036).

The Successor Agency to the Redding Redevelopment Agency (“Successor Agency”) will be the issuer of the 2023 Bonds. The approval and final adoption by the Successor Agency of its bond resolution remains subject to review and approval by the Shasta County Consolidated Oversight Board and the California Department of Finance.

As actions related to the Successor Agency bond resolution, the proposed issuance of the 2023 bonds was reviewed by each of the SHASTECH local agencies (the Anderson Successor Agency and the Shasta County Successor Agency) in accordance with the Agreement, and approved by resolutions, forms of which have been presented at this meeting for review and approval by the Shasta County Consolidated Oversight Board.

FISCAL IMPACT

The proposed 2023 Bonds will generate estimated debt service savings of approximately \$2,306,836 over the remaining term of the bonds, through September 1, 2036. Pursuant to redevelopment dissolution law, such savings will be split among affected taxing entities in the SHASTECH Redevelopment Project Area through increased annual residual tax increment payments to such entities. All costs of issuance of the 2023 Bonds will be paid from bond proceeds, and the estimated debt service savings amount is net of such issuance costs.



SIGNATURE

Attachments

- EXHIBIT A – Shasta County Oversight Board Resolution
- EXHIBIT B - Redding Successor Agency Resolution
- EXHIBIT C - Anderson Successor Agency Resolution
- EXHIBIT D - Shasta County Successor Agency Resolution
- EXHIBIT E - Indenture
- EXHIBIT F - Irrevocable Refunding Instructions and Agreement
- EXHIBIT G - Savings Analysis

EXHIBIT A

RESOLUTION NO. 2023-04

RESOLUTION OF SHASTA COUNTY CONSOLIDATED OVERSIGHT BOARD AUTHORIZING THE CITY OF REDDING AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY TO REFUND CERTAIN OUTSTANDING REDDING REDEVELOPMENT AGENCY OBLIGATIONS

WHEREAS, the Shasta County Consolidated Oversight Board (“Oversight Board”) has been established to direct the City of Redding as Successor Agency to the Redding Redevelopment Agency (“Successor Agency”);

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), and a Project Formation and Administration Agreement, as amended on June 3, 2003 (the “SHASTE C Project Agreement”), among the City of Redding (the “City”), the City of Anderson, and the County of Shasta (each a “Participating Jurisdiction”), and the Redding Redevelopment Agency (the “Former RRA”), the Anderson Redevelopment Agency and the Shasta County Redevelopment Agency, these local agencies (collectively referred to as “SHASTE C”), jointly adopted a Redevelopment Plan for the SHASTE C Redevelopment Project Area, and provided for the formation and administration of a Joint Redevelopment Project in the Airport Road/North Street area, generally referred to as the “SHASTE C” Project;

WHEREAS, Section 33210 of the Health and Safety Code then provided that two or more agencies may jointly exercise the powers granted under Part 1 of Division 24 of the Health and Safety Code to form a Redevelopment Project;

WHEREAS, pursuant to the SHASTE C Project Agreement, the Former RRA was designated to act as the lead administrative agency for project formation and general administration of the SHASTE C Redevelopment Project Area following the initial adoption of the SHASTE C Project Agreement, which designation continues in force under the SHASTE C Project Agreement;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, on February 1, 2012, the Former RRA was dissolved pursuant to Health and Safety Code Section 34161 – 34166;

WHEREAS, pursuant to Health and Safety Code Section 34173, by Resolution No. 2012-001; the City Council of the City of Redding elected to become the Successor Agency to the Former RRA;

WHEREAS, the Former RRA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all

under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes;

WHEREAS, the Former RRA's Redevelopment Plan contemplated that the Former RRA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment;

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 ("AB 1484"), which modified or added to some of the provisions of ABX1 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010;

WHEREAS, Senate Bill No. 107 ("AB 107"), a follow-on bill to ABX1 26 and AB 1484, was enacted on September 22, 2015 and provides additional terms and amendments for operations of a successor agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that in 2006, the Former RRA issued and sold \$15,000,000 aggregate principal amount of its Redding Redevelopment Agency SHASTECC Redevelopment Project Tax Allocation Bonds, Series 2006, of which \$9,535,000 aggregate principal amount will be outstanding as of September 1, 2023 (the "Series 2006 Bonds"), secured by and payable from tax increment revenues allocated to the SHASTECC Redevelopment Project, and which Series 2006 Bonds are currently subject to optional redemption on any date at a redemption price equal to the principal amount of the Series 2006 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium;

WHEREAS, the Oversight Board is informed by the Successor Agency that the Series 2006 Bonds were issued and are payable under the Indenture of Trust, as supplemented by the First Supplemental Indenture, each dated as of July 1, 2006 (the "Prior Indenture"), by and between the Former RRA and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee;

WHEREAS, Health & Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, the Successor Agency has determined to issue not to exceed \$9,750,000 aggregate principal amount of its Successor Agency to the Redding Redevelopment Agency, SHASTECC Redevelopment Project Area, Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or federally taxable basis, and with such other name and series designation as is deemed appropriate (the "Refunding Bonds"), for the purpose of refunding the

Series 2006 Bonds, purchasing municipal bond insurance and/or a reserve policy for deposit to the reserve account for the Refunding Bonds and paying the costs of issuance of the Refunding Bonds;

WHEREAS, there are potential debt service savings that can be achieved through a redemption of the Series 2006 Bonds at a redemption price equal to 100% of the principal amount of the Series 2006 Bonds to be redeemed;

WHEREAS, in accordance with California Health and Safety Code Section 34177.5(f), the Oversight Board may direct the Successor Agency to commence any of the transactions described in subdivision (a) so long as the Successor Agency is able to recover its related costs in connection with the transaction, and the Oversight Board desires to direct the commencement of the refunding and to express its approval of the issuance of the Refunding Bonds for the purposes set forth above and as specified in the debt service savings analysis in the form of a bond refunding savings analysis (the “Savings Analysis”) as prepared by an independent financial advisor, together with a form of approving resolution adopted by the Successor Agency (the “Successor Agency Resolution”), forms of which have been presented at this meeting, and which Successor Agency Resolution and Savings Analysis is recognized as demonstrating the potential savings that may result from the redemption of the Series 2006 Bonds;

WHEREAS, the Successor Agency by its Successor Agency Resolution, adopted on May 16, 2023, approved the issuance of the Refunding Bonds pursuant to California Health and Safety Code Sections 34177.5(a)(1), 34177.5(f) and 34180;

WHEREAS, as related actions, the proposed issuance of the Refunding Bonds was reviewed by each of the SHASTECC local agencies in accordance with the SHASTECC Project Agreement, and approved by resolutions, forms of which have been presented at this meeting, referred to as the “Anderson Successor Agency Resolution” and the “Shasta County Successor Agency Resolution”;

WHEREAS, the Refunding Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee, and will be payable from Pledged Tax Revenues attributable to the SHASTECC Redevelopment Project on deposit in the Redevelopment Property Tax Trust Fund of the Successor Agency and allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund;

WHEREAS, by its terms the SHASTECC Project Agreement constitutes an indebtedness of the Former RRA incurred in forming the SHASTECC Redevelopment Project Area and a pledging of tax increments from the SHASTECC Redevelopment Project Area to repay such indebtedness under the provisions of Article XVI, Section 16, of the California Constitution and Sections 33670-33677 of the Health and Safety Code, and each party to the SHASTECC Project Agreement has agreed to subordinate its interest therein and to allow the Former RRA to pledge all or any portion of the tax increments which would otherwise pass through to the Participating Jurisdiction under the SHASTECC Project Agreement in order to secure the repayment of Former RRA indebtedness including the Series 2006 Bonds;

WHEREAS, the following proposed forms have been presented at this meeting (i) the Indenture, and (ii) a form of Irrevocable Refunding Instructions and Agreement (the “Irrevocable Refunding Instructions and Agreement” and, together with the Indenture, the “Primary Bond Documents”); and

WHEREAS, the Oversight Board now desires to approve all matters relating to the issuance and sale of the Refunding Bonds as required by California Health and Safety Code Sections 34177.5(f) and 34180 of the California Health and Safety Code;

NOW, THEREFORE, BE IT RESOLVED, that the Shasta County Consolidated Oversight Board of the Successor Agency to the former Redding Redevelopment Agency, hereby finds and determines:

Section 1. Recitals.

The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Refunding.

The Successor Agency Resolution and the Primary Bond Documents, each in substantially the form presented at this meeting, with such changes therein in the case of the Primary Bond Documents, as the officer of the Successor Agency executing the same may approve, are hereby approved and the issuance of the Refunding Bonds for the purposes set forth herein, and subject to the requirements of California Health and Safety Code Section 34177.5(a)(1) is hereby approved. As related actions, the Anderson Successor Agency Resolution and the Shasta County Successor Agency Resolution are hereby approved.

The Oversight Board was provided with, with the Savings Analysis prepared by an independent financial advisor, together with the Successor Agency Resolution (each of which is presented at this meeting), which Savings Analysis is hereby approved as demonstrating the potential savings that may result from the redemption of the Series 2006 Bonds.

Section 3. Recovery of Costs.

The Oversight Board hereby authorizes and approves the Successor Agency to cover reasonable related costs incurred in connection with this transaction including the cost of Successor Agency staff time. The Successor Agency may recover such reasonable costs from the proceeds of the Refunding Bonds without the additional approval of the Oversight Board, the California Department of Finance, the Shasta County Auditor-Controller or any other person or entity other than the Successor Agency. For the purpose of expending such proceeds, California Health and Safety Code Section 34177.3 and other provisions relating to Recognized Obligation Payment Schedules shall not apply. If the Successor Agency is not able to issue its bonds, the Successor Agency may recover such costs by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in California Health and Safety Code Section 34171(b).

The Successor Agency shall be entitled to receive its full allocation of the Administrative Cost Allowance under California Health and Safety Code Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding 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 California Health and Safety Code Section 34183.

Section 4. Chairperson Acting for Successor Agency.

The Chairperson, acting for the Oversight Board, is hereby authorized to take whatever actions may be necessary to carry out the purposes of this Resolution pursuant to ABX1 26, AB 1484 and SB 107.

Section 5. Secretary of the Oversight Board.

The Secretary of the Oversight Board shall certify to the passage of this Resolution and enter it into the book of original resolutions and take any other actions and/or perform any other duties required by law.

Section 6. Effective Date.

Pursuant to California Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance, unless the Department requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department of Finance.

DULY PASSED AND ADOPTED this __th day of _____ 2023, by the Oversight Board by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:
- RECUSE:

Chairperson
Oversight Board

ATTEST:

Secretary, Oversight Board

EXHIBIT B

RESOLUTION NO. ____

RESOLUTION OF THE CITY OF REDDING AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY, TAX ALLOCATION REFUNDING BONDS, SERIES 2023; APPROVING A FORM OF INDENTURE, A FORM OF IRREVOCABLE REFUNDING INSTRUCTIONS, AND MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), and a Project Formation and Administration Agreement, as amended on June 3, 2003 (the “SHASTECC Project Agreement”), among the City of Redding (the “City”), the City of Anderson, and the County of Shasta (each a “Participating Jurisdiction”), and the Redding Redevelopment Agency (the “Former RRA”), the Anderson Redevelopment Agency and the Shasta County Redevelopment Agency, these local agencies (collectively referred to as “SHASTECC”), jointly adopted a Redevelopment Plan for the SHASTECC Redevelopment Project Area, and provided for the formation and administration of a Joint Redevelopment Project in the Airport Road/North Street area, generally referred to as the “SHASTECC” Project;

WHEREAS, Section 33210 of the Health and Safety Code then provided that two or more agencies may jointly exercise the powers granted under Part 1 of Division 24 of the Health and Safety Code to form a Redevelopment Project;

WHEREAS, pursuant to the SHASTECC Project Agreement, the Former RRA was designated to act as the lead administrative agency for project formation and general administration of the SHASTECC Redevelopment Project Area following the initial adoption of the SHASTECC Project Agreement, which designation continues in force under the SHASTECC Project Agreement;

WHEREAS, the Former RRA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes;

WHEREAS, the Former RRA’s Redevelopment Plan contemplated that the Former RRA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor

agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the “Successor Agency”) to the Former RRA commencing upon the dissolution of the Former RRA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, pursuant to Health and Safety Code Section 34173, by Resolution No. 2012-001; the City Council of the City of Redding elected to become the Successor Agency to the Former RRA;

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 (“AB 1484”), which modified or added to some of the provisions of ABX1 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010;

WHEREAS, Senate Bill No. 107 (“AB 107”), a follow-on bill to ABX1 26 and AB 1484, was enacted on September 22, 2015 and provides additional terms and amendments for operations of a successor agency;

WHEREAS, in 2006, the Former RRA issued and sold \$15,000,000 aggregate principal amount of its Redding Redevelopment Agency SHASTECH Redevelopment Project Tax Allocation Bonds, Series 2006, of which \$9,535,000 aggregate principal amount is currently outstanding (the “Series 2006 Bonds”), secured by and payable from tax increment revenues allocated to the SHASTECH Redevelopment Project, and which Series 2006 Bonds are currently subject to optional redemption on any date at a redemption price equal to the principal amount of the Series 2006 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium;

WHEREAS, the Series 2006 Bonds were issued and are payable under the Indenture of Trust, as supplemented by the First Supplemental Indenture, each dated as of July 1, 2006 (the “Prior Indenture”), by and between the Former RRA and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (the “Prior Trustee”);

WHEREAS, Health & Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, Senate Bill 1029 (Chapter 307 of the 2015-2016 Session of the California Legislature) (“SB 1029”) amended Government Code Section 8855 to require a debt policy to be adopted by local agency issuers of public debt for any financings completed on or after January 21,

2017 and the City Council of the City of Redding (the “City Council”) acting as Successor Agency, wishes to specify debt management policies to guide the Successor Agency, its officers and staff regarding the issuance of Successor Agency debt;

WHEREAS, on December 20, 2016, the City Council adopted amendments to its Debt Policy as previously adopted for the City (the “Debt Management Policy”), in the form presented at this meeting, that complies with Government Code Section 8855(i), and the Successor Agency wishes to adopt the terms of the Debt Management Policy as its local debt policies, and the Successor Agency’s sale and issuance of the Refunding Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy;

WHEREAS, the Successor Agency has solicited a report of an independent financial advisor entitled “Independent Municipal Advisor’s Report: Debt Service Savings Analysis” (a copy of which is presented at this meeting) and employed such advisor in developing financing proposals for consideration by the Successor Agency and it is understood that such report, as it may be further revised, may be made available to the California Department of Finance (the “Department of Finance”) at its request;

WHEREAS, the Successor Agency has determined to issue not to exceed \$9,750,000 aggregate principal amount of its Successor Agency to the Redding Redevelopment Agency, SHASTECC Redevelopment Project Area, Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or federally taxable basis, and with such other name and series designation as is deemed appropriate (the “Refunding Bonds”), for the purpose of refunding the Series 2006 Bonds, purchasing municipal bond insurance and/or a reserve policy for deposit to the reserve account for the Refunding Bonds and paying the costs of issuance of the Refunding Bonds;

WHEREAS, the Refunding Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), and will be payable from Pledged Tax Revenues attributable to the SHASTECC Redevelopment Project on deposit in the Redevelopment Property Tax Trust Fund of the Successor Agency and allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund;

WHEREAS, in accordance with Section 5 of the SHASTECC Project Agreement, the redevelopment board of each Participating Jurisdiction, by its respective successor agency, will evidence of its action approving the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, by its terms the SHASTECC Project Agreement constitutes an indebtedness of the Former RRA incurred in forming the SHASTECC Redevelopment Project Area and a pledging of tax increments from the SHASTECC Redevelopment Project Area to repay such indebtedness under the provisions of Article XVI, Section 16, of the California Constitution and Sections 33670-33677 of the Health and Safety Code, and each party to the SHASTECC Project Agreement has agreed to subordinate its interest therein and to allow the Former RRA to pledge all or any portion of the tax increments which would otherwise pass through to the Participating Jurisdiction under the SHASTECC Project Agreement in order to secure the repayment of Former RRA indebtedness including the Series 2006 Bonds;

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

WHEREAS, in compliance with SB 450, the Successor Agency has obtained from Urban Futures Inc., as the Successor Agency’s municipal advisor, and Piper Sandler & Co. (the “Underwriter”), the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto;

WHEREAS, following approval by the Department of Finance of the approval of this Resolution by the Shasta County Consolidated Oversight Board (the “Countywide Oversight Board”), the Successor Agency will, with the assistance of Bond Counsel, Disclosure Counsel and its Municipal Advisor, cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding 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 Refunding Bonds; and

WHEREAS, there has been presented at this meeting a form of Indenture, and a form of Irrevocable Refunding Instructions, each to be executed in connection with the issuance of the Refunding Bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDDING ACTING AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

1. Approval of Issuance of Refunding Bonds. The issuance of the Refunding Bonds, in order to refinance redevelopment activity evidenced by the Series 2006 Bonds, which is permitted by Health and Safety Code Section 34177.5(a)(1), is hereby authorized and approved. The Refunding Bonds are authorized to be executed by the manual or facsimile signature of the Mayor of the City, acting for the Successor Agency, and attested by the manual or facsimile signature of the City Clerk, acting for the Successor Agency. The Refunding Bonds, when so executed, are authorized to be delivered by the Trustee for authentication.

2. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved and the Mayor, the City Manager, the Director of Finance, or the written designee of any such officer (each an “Authorized Officer,” acting for the Successor Agency), are each acting alone authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to

be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, terms of redemption and other terms of the Refunding Bonds shall be as provided in the Indenture as finally executed.

3. Approval of Irrevocable Refunding Instructions. The form of Irrevocable Refunding Instructions, between the Successor Agency to be given to U.S. Bank Trust Company, National Association (the “Irrevocable Refunding Instructions”), presented at this meeting is hereby approved and any Authorized Officer, acting alone, is authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Irrevocable Refunding Instructions with respect to and by which the Series 2006 Bonds shall be refunded, in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

4. Bond Insurance and Surety Bond. If an Authorized Officer determines that it will be advantageous to the Successor Agency to purchase municipal bond insurance or a debt service reserve fund surety bond with respect to some or all of the Refunding Bonds, such officer is hereby authorized (a) to purchase such insurance or surety bond on behalf of the Successor Agency at market rates, and (b) to make such changes to the agreements and documents relating to the Refunding Bonds as may be needed to obtain such insurance or surety bond. In connection with any such policy, each Authorized Officer is hereby severally authorized and directed to execute and deliver an agreement on behalf of the Successor Agency, in such form as approved by such Authorized Officer, with the provider of such surety bond pursuant to which the Successor Agency would agree to reimburse such provider for any draws under such surety bond and to pay such provider any other fees and expenses related thereto as such Authorized Officer shall approve, such approval (and the approval by the Authorized Officer of the form of such agreement) to be conclusively evidenced by the execution and delivery of such agreement.

5. Recovery of Costs. The Successor Agency is hereby authorized to recover its costs of issuance with respect to the Refunding Bonds including the cost of reimbursing the City for staff time and costs spent with respect to the Refunding Bonds.

6. Approval of Debt Management Policy. With the passage of this Resolution, the Successor Agency hereby approves the Debt Management Policy presented at this meeting and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the Refunding Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the Successor Agency, with respect to the Refunding Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Refunding Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the Successor Agency, the “Yes” box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

7. Good Faith Estimates of Costs of Finance. In accordance with SB 450, good faith estimates of the following have been obtained from the Underwriter and the Municipal Advisor and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Refunding

Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds.

8. Bond Issuance Services. U.S. Bank Trust Company, National Association is hereby appointed as Trustee and Escrow Bank, Piper Sandler & Co. is hereby appointed as Underwriter, Orrick, Herrington & Sutcliffe LLP is hereby appointed as Bond Counsel and Disclosure Counsel, and Urban Futures Inc. is hereby appointed as Fiscal Consultant and as Municipal Advisor. Either the Mayor, the City Manager, or the Director of Finance, acting for the Successor Agency, is authorized to execute contracts for such services and any other related services as may be required to defease and/or refund all or a portion of the Series 2006 Bonds.

9. Attestation. The City Clerk is hereby authorized and directed to attest the signature of the Mayor, City Manager or other officers of the City as may be required in connection with the execution and delivery of the Bonds, the Indenture, the Irrevocable Refunding Instructions, and other agreements, documents, certificates and instruments required in accordance with this Resolution.

10. Electronic Signatures. The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

11. Other Acts. The officers and City Council members of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein, and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

12. **Effective Date.** This Resolution shall take effect from and after its adoption and approval.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the City Council of the City of Redding at a regular meeting thereof held on the 16th day of May, 2023, by the following vote of the members thereof:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

FORM APPROVAL:

City Clerk

City Attorney

EXHIBIT B

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Piper Sandler & Co., as underwriter (the “Underwriter”) and Urban Futures Inc., as municipal advisor to the Successor Agency (the “Municipal Advisor”), each with respect to the Refunding Bonds.

Principal Amount. The Underwriter and the Municipal Advisor have informed the Successor Agency that, based on the Independent Municipal Advisor’s Report: Debt Service Savings Analysis provided, and current market conditions, the good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$7,330,000 (the “Estimated Principal Amount”).

True Interest Cost of the Refunding Bonds. The Underwriter and the Municipal Advisor have informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 3.06%.

Finance Charge of the Refunding Bonds. The Underwriter and the Municipal Advisor have informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$304,933 (assuming \$73,300 underwriter’s discount, \$56,633 municipal bond insurance and debt service reserve policy premiums, and \$175,000 additional costs of issuance).

Amount of Proceeds to be Received. The Underwriter and the Municipal Advisor have informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds, as estimated above, and any reserve fund funded with proceeds of the Refunding Bonds, is \$7,025,067.

Total Payment Amount. The Underwriter and the Municipal Advisor have informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$10,199,114.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the Successor Agency based on the timing of the need for proceeds of the Refunding Bonds and other factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.

EXHIBIT B

CERTIFICATE OF THE CLERK

I, _____, City Clerk of the City of Redding (the “City”), hereby certify that the foregoing Resolution No. ____ - _____, is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the City Council of the City duly held in Redding, California, on May 16, 2023, of which meeting all of the members of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original resolution adopted at said meeting and entered into said minutes, and that said resolution has not been amended, modified, rescinded, or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

An agenda of said meeting was posted at least 72 hours before the meeting at 777 Cypress Street, Redding, California 96001, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Dated: _____, 2023.

City Clerk of the City of Redding

EXHIBIT C

RESOLUTION NO. 2023-_____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED ANDERSON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE AND SALE OF THE SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY SHASTECC REDEVELOPMENT PROJECT AREA TAX ALLOCATION REFUNDING BONDS, SERIES 2023

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), and a Project Formation and Administration Agreement, as amended on June 3, 2003 (the “SHASTECC Project Agreement”), among the City of Redding, the City of Anderson, and the County of Shasta (each a “Participating Jurisdiction”), and the Redding Redevelopment Agency (the “Former RRA”), the Anderson Redevelopment Agency (the “Former ARA”) and the Shasta County Redevelopment Agency, these local agencies (collectively referred to as “SHASTECC”), jointly adopted a Redevelopment Plan for the SHASTECC Redevelopment Project Area, and provided for the formation and administration of a Joint Redevelopment Project in the Airport Road/North Street area, generally referred to as the “SHASTECC” Project;

WHEREAS, Section 33210 of the Health and Safety Code then provided that two or more agencies may jointly exercise the powers granted under Part 1 of Division 24 of the Health and Safety Code to form a Redevelopment Project;

WHEREAS, pursuant to the SHASTECC Project Agreement, the Former RRA was designated to act as the lead administrative agency for project formation and general administration of the SHASTECC Redevelopment Project Area following the initial adoption of the SHASTECC Project Agreement, which designation continues in force under the SHASTECC Project Agreement;

WHEREAS, the Former RRA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes;

WHEREAS, the Former RRA’s Redevelopment Plan contemplated that the Former RRA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment;

WHEREAS, in 2006, the Former RRA issued and sold \$15,000,000 aggregate principal amount of its Redding Redevelopment Agency SHASTECC Redevelopment Project Tax Allocation Bonds, Series 2006, of which \$9,535,000 aggregate principal amount is currently outstanding (the “Series 2006 Bonds”), secured by and payable from tax increment revenues allocated to the SHASTECC Redevelopment Project, and which Series 2006 Bonds are currently subject to optional redemption on any date at a redemption price equal to the principal amount of the Series 2006 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City of Redding agreed to serve as the successor agency (referred to herein as the “Redding Successor Agency”) to the Former RRA commencing upon the dissolution of the Former RRA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, the City of Anderson agreed to serve as the successor agency (referred to herein as the “Successor Agency”) to the Former ARA commencing upon the dissolution of the Former ARA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, the Redding Successor Agency has determined to issue not to exceed \$9,750,000 aggregate principal amount of its Successor Agency to the Redding Redevelopment Agency, SHASTEC Redevelopment Project Area, Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or federally taxable basis, and with such other name and series designation as is deemed appropriate (the “Refunding Bonds”), in accordance with the Law, to provide funds for the purpose of refunding the Series 2006 Bonds, purchasing municipal bond insurance and/or a reserve policy for deposit to the reserve account for the Refunding Bonds and paying the costs of issuance of the Refunding Bonds;

WHEREAS, there are potential debt service savings that can be achieved through a redemption of the Series 2006 Bonds at a redemption price equal to 100% of the principal amount of the Series 2006 Bonds to be redeemed;

WHEREAS, in accordance with California Health and Safety Code Section 34177.5(f), the Redding Successor Agency may act to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, a form of bond refunding savings analysis (the “Savings Analysis”) has been prepared by an independent financial advisor, together with a form of approving resolution for adoption by the Redding Successor Agency, forms of which have been presented at this meeting, and which Savings Analysis is recognized as demonstrating the potential savings that may result from the redemption of the Series 2006 Bonds;

WHEREAS, the Refunding Bonds will be issued pursuant to an Indenture of Trust, by and between the Redding Successor Agency and U.S. Bank Trust Company, National Association, as trustee, and will be payable from Pledged Tax Revenues attributable to the SHASTEC Redevelopment Project on deposit in the Redevelopment Property Tax Trust Fund of the Redding

Successor Agency and allocated to the Redding Successor Agency's Redevelopment Obligation Retirement Fund;

WHEREAS, pursuant to Section 5 of the SHASTECC Project Agreement, each redevelopment board is required to review and take action prior to the implementation of a financing that will result in a repayment obligation of the SHASTECC Redevelopment Project Area; and

WHEREAS, by its terms the SHASTECC Project Agreement constitutes an indebtedness of the Former ARA incurred in forming the SHASTECC Redevelopment Project Area and a pledging of tax increments from the SHASTECC Redevelopment Project Area to repay such indebtedness under the provisions of Article XVI, Section 16, of the California Constitution and Sections 33670-33677 of the Health and Safety Code, and each party to the SHASTECC Project Agreement has agreed to subordinate its interest therein and to allow the Former RRA to pledge all or any portion of the tax increments which would otherwise pass through to the Participating Jurisdiction under the SHASTECC Project Agreement in order to secure the repayment of Former RRA indebtedness including the Series 2006 Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Dissolved Anderson Redevelopment Agency as follows:

SECTION 1. The issuance of the Refunding Bonds by the Redding Successor Agency for the purposes described in this Resolution is hereby approved. Pursuant to the SHASTECC Project Agreement, including without limitation Section 5 thereof, the Redding Successor Agency is authorized to proceed with the implementation of the issuance, sale and delivery of the Refunding Bonds and all actions that it deems necessary and appropriate in connection therewith.

SECTION 2. The City Council, as governing board of the Successor Agency, hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 3. The officers and City Council members of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein, and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

SECTION 4. The City Clerk of the City of Anderson acting on behalf of the City Council, as governing board of the Successor Agency, as its Secretary, shall certify to the adoption of this Resolution, and is hereby authorized and directed to promptly transmit a copy of this Resolution to the Shasta County Consolidated Oversight Board, the Shasta County Administrative Officer, the Department of Finance, the State Controller, and the Shasta County Auditor-Controller for their review.

SECTION 5. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

[SEAL]

Attest:

Secretary

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Successor Agency to the Dissolved Anderson Redevelopment Agency, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said Successor Agency duly and legally held at the regular meeting place thereof on _____, 2023, of which meeting all of the members of said Governing Board of said Successor Agency had due notice and at each of which a majority thereof were present.

I have carefully compared said resolution with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Said resolution, as adopted on such date, has not been amended, modified or rescinded, and the same is now in full force and effect.

Dated: _____, 2023

Secretary of the Successor Agency to the Dissolved
Anderson Redevelopment Agency

(Seal)

RESOLUTION NO. 2023-_____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SHASTA AS GOVERNING BOARD OF THE SUCCESSOR
AGENCY TO THE SHASTA COUNTY REDEVELOPMENT AGENCY
APPROVING THE ISSUANCE AND SALE OF THE SUCCESSOR
AGENCY TO THE REDDING REDEVELOPMENT AGENCY SHASTE
C REDEVELOPMENT PROJECT AREA TAX ALLOCATION REFUNDING
BONDS, SERIES 2023**

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), and a Project Formation and Administration Agreement, as amended on June 3, 2003 (the “SHASTE C Project Agreement”), among the City of Redding, the City of Anderson, and the County of Shasta (each a “Participating Jurisdiction”), and the Redding Redevelopment Agency (the “Former RRA”), the Anderson Redevelopment Agency, and the Shasta County Redevelopment Agency (the “Former SCRA”), these local agencies (collectively referred to as “SHASTE C”), jointly adopted a Redevelopment Plan for the SHASTE C Redevelopment Project Area, and provided for the formation and administration of a Joint Redevelopment Project in the Airport Road/North Street area, generally referred to as the “SHASTE C” Project; and

WHEREAS, Section 33210 of the Health and Safety Code then provided that two or more agencies may jointly exercise the powers granted under Part 1 of Division 24 of the Health and Safety Code to form a Redevelopment Project; and

WHEREAS, pursuant to the SHASTE C Project Agreement, the Former RRA was designated to act as the lead administrative agency for project formation and general administration of the SHASTE C Redevelopment Project Area following the initial adoption of the SHASTE C Project Agreement, which designation continues in force under the SHASTE C Project Agreement; and

WHEREAS, the Former RRA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the Former RRA’s Redevelopment Plan contemplated that the Former RRA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment; and

WHEREAS, in 2006, the Former RRA issued and sold \$15,000,000 aggregate principal amount of its Redding Redevelopment Agency SHASTE C Redevelopment Project Tax Allocation Bonds, Series 2006, of which \$9,535,000 aggregate principal amount is currently outstanding (the “Series 2006 Bonds”), secured by and payable from tax increment revenues allocated to the SHASTE C Redevelopment Project, and which Series 2006 Bonds are currently subject to optional redemption on any date at a redemption price equal to the principal amount of the Series 2006 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, the City of Redding agreed to serve as the successor agency (referred to herein as the “Redding Successor Agency”) to the Former RRA commencing upon the dissolution of the Former RRA on February 1, 2012 pursuant to ABX1 26; and

WHEREAS, the County of Shasta agreed to serve as the successor agency (referred to herein as the “Successor Agency”) to the Former SCRA commencing upon the dissolution of the Former SCRA on February 1, 2012 pursuant to ABX1 26; and

WHEREAS, the Redding Successor Agency has determined to issue not to exceed \$9,750,000 aggregate principal amount of its Successor Agency to the Redding Redevelopment Agency, SHASTEC Redevelopment Project Area, Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or federally taxable basis, and with such other name and series designation as is deemed appropriate (the “Refunding Bonds”), in accordance with the Law, to provide funds for the purpose of refunding the Series 2006 Bonds, purchasing municipal bond insurance and/or a reserve policy for deposit to the reserve account for the Refunding Bonds and paying the costs of issuance of the Refunding Bonds; and

WHEREAS, there are potential debt service savings that can be achieved through a redemption of the Series 2006 Bonds at a redemption price equal to 100% of the principal amount of the Series 2006 Bonds to be redeemed; and

WHEREAS, in accordance with California Health and Safety Code Section 34177.5(f), the Redding Successor Agency may act to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, a form of bond refunding savings analysis (the “Savings Analysis”) has been prepared by an independent financial advisor, together with a form of approving resolution for adoption by the Redding Successor Agency, forms of which have been presented at this meeting, and which Savings Analysis is recognized as demonstrating the potential savings that may result from the redemption of the Series 2006 Bonds; and

WHEREAS, the Refunding Bonds will be issued pursuant to an Indenture of Trust, by and between the Redding Successor Agency and U.S. Bank Trust Company, National Association, as trustee, and will be payable from Pledged Tax Revenues attributable to the SHASTEC Redevelopment Project on deposit in the Redevelopment Property Tax Trust Fund of the Redding

Successor Agency and allocated to the Redding Successor Agency's Redevelopment Obligation Retirement Fund;

WHEREAS, pursuant to Section 5 of the SHASTECC Project Agreement, each redevelopment board is required to review and take action prior to the implementation of a financing that will result in a repayment obligation of the SHASTECC Redevelopment Project Area; and

WHEREAS, by its terms the SHASTECC Project Agreement constitutes an indebtedness of the Former SCRA incurred in forming the SHASTECC Redevelopment Project Area and a pledging of tax increments from the SHASTECC Redevelopment Project Area to repay such indebtedness under the provisions of Article XVI, Section 16, of the California Constitution and Sections 33670-33677 of the Health and Safety Code, and each party to the SHASTECC Project Agreement has agreed to subordinate its interest therein and to allow the Former RRA to pledge all or any portion of the tax increments which would otherwise pass through to the Participating Jurisdiction under the SHASTECC Project Agreement in order to secure the repayment of Former RRA indebtedness including the Series 2006 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Shasta as governing board of the Successor Agency to the Shasta County Redevelopment Agency as follows:

SECTION 1. The issuance of the Refunding Bonds by the Redding Successor Agency for the purposes described in this Resolution is hereby approved. Pursuant to the SHASTECC Project Agreement, including without limitation Section 5 thereof, the Redding Successor Agency is authorized to proceed with the implementation of the issuance, sale and delivery of the Refunding Bonds and all actions that it deems necessary and appropriate in connection therewith.

SECTION 2. The Board of Supervisors, as governing board of the Successor Agency, hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 3. The members of the Board of Supervisors and officers of the County are hereby authorized and directed, jointly and severally, to do any and all things, in accordance with law, to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein, and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

SECTION 4. The Clerk or Acting Clerk of the Board of Supervisors, acting on behalf of the Board of Supervisors, as governing board of the Successor Agency, shall certify to the adoption of this Resolution, and is hereby authorized and directed to promptly transmit a copy of this Resolution to the Shasta County Consolidated Oversight Board, the Shasta County Administrative

Officer, the Department of Finance, the State Controller, and the Shasta County Auditor-Controller for their review.

SECTION 5. This Resolution shall take effect immediately upon adoption.

DULY PASSED AND ADOPTED this 16th day of May 2023, by the Board of Supervisors of the County of Shasta by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

Patrick Jones, CHAIR
Board of Supervisors
County of Shasta
State of California

[SEAL]

Attest:

Mary E. Williams
Acting Clerk of the Board of Supervisors

Deputy

CERTIFICATE OF ACTING CLERK OF THE BOARD OF SUPERVISORS

I, _____, Acting Clerk of the Board of Supervisors of the County of Shasta as governing board of the Successor Agency to the Shasta County Redevelopment Agency, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said Successor Agency duly and legally held at the regular meeting place thereof on May 16, 2023, of which meeting all of the members of said Governing Board of said Successor Agency had due notice and at each of which a majority thereof were present.

I have carefully compared said resolution with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Said resolution, as adopted on such date, has not been amended, modified or rescinded, and the same is now in full force and effect.

Dated: _____, 2023

Acting Clerk of the Board of Supervisors

(Seal)

EXHIBIT E

INDENTURE OF TRUST

by and between

SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY

and

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

Dated as of _____ 1, 2023

relating to

**\$ _____
Successor Agency to the Redding Redevelopment Agency
SHASTEC Redevelopment Project Tax Allocation Refunding Bonds
Series 2023**

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THIS INDENTURE OF TRUST, dated as of _____ 1, 2023 (the “**Indenture**”), by and between the CITY OF REDDING AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY (the “**Successor Agency**”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in Los Angeles, California, as trustee (the “**Trustee**”),

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “**Law**”), and a Project Formation and Administration Agreement, as amended on June 3, 2003 (the “**SHASTEC Project Agreement**”), among the City of Redding (the “**City**”), the City of Anderson, and the County of Shasta (each a “**Participating Jurisdiction**”), and the Redding Redevelopment Agency (the “**Former RRA**”), the Anderson Redevelopment Agency and the Shasta County Redevelopment Agency, these local agencies (collectively referred to as “**SHASTEC**”), jointly adopted a Redevelopment Plan for the SHASTEC Redevelopment Project Area, and provided for the formation and administration of a Joint Redevelopment Project in the Airport Road/North Street area, generally referred to as the “**SHASTEC**” Project;

WHEREAS, pursuant to the SHASTEC Project Agreement, the Former RRA was designated to act as the lead administrative agency for project formation and general administration of the SHASTEC Redevelopment Project Area following the initial adoption of the SHASTEC Project Agreement, which designation continues in force under the SHASTEC Project Agreement;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“**ABX1 26**”) adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the “**Successor Agency**”) to the Former RRA commencing upon the dissolution of the Former RRA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, as provided in California Health and Safety Code Section 34173(g), the Successor Agency is a separate public entity from the City, which provides for its governance, and the two entities shall not merge;

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 (“**AB 1484**”), which modified or added to some of the provisions of ABX1 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010;

WHEREAS, Senate Bill No. 107 (“**AB 107**”), a follow-on bill to ABX1 26 and AB 1484, was enacted on September 22, 2015 and provides additional terms and amendments for operations of a successor agency;

WHEREAS, in 2006, the Former RRA issued and sold \$15,000,000 aggregate principal amount of its Redding Redevelopment Agency SHASTEC Redevelopment Project Tax Allocation Bonds, Series

2006, of which \$9,535,000 aggregate principal amount will be outstanding as of [September 1, 2023] (the “**Series 2006 Bonds**”), secured by and payable from tax increment revenues allocated to the SHASTEC Redevelopment Project, and which Series 2006 Bonds are currently subject to optional redemption on any date at a redemption price equal to the principal amount of the Series 2006 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium;

WHEREAS, the Series 2006 Bonds were issued and are payable under the Indenture of Trust, as supplemented by the First Supplemental Indenture, each dated as of July 1, 2006 (the “**Series 2006 Indenture**”), by and between the Former RRA and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (the “**Series 2006 Trustee**”);

WHEREAS, Health & Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, the Successor Agency has determined to refund and optionally redeem the Series 2006 Bonds in accordance with the Series 2006 Indenture;

WHEREAS, proceeds of the [Successor Agency to the Redding Redevelopment Agency SHASTEC Redevelopment Project Tax Allocation Refunding Bonds, Series 2023] (the “**Series 2023 Bonds**”), are being issued in accordance with this Indenture in order to refund and optionally redeem the Series 2006 Bonds, purchase a [Qualified Reserve Account Credit Instrument for deposit to the reserve account for the Series 2023 Bonds and a municipal bond insurance policy for certain maturities of the Series 2023 Bonds; and pay the costs of issuance of the Series 2023 Bonds];

WHEREAS, the Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues (as defined herein) consisting of payable from tax increment revenues attributable to the SHASTEC Redevelopment Project on deposit in the Redevelopment Property Tax Trust Fund of the Successor Agency and allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund;

WHEREAS, [each party to the SHASTEC Project Agreement has agreed to subordinate its interest therein and to allow the Former RRA to pledge all or any portion of the tax increments which would otherwise pass through to the Participating Jurisdiction under the SHASTEC Project Agreement in order to secure the repayment of Former RRA indebtedness including the Series 2006 Bonds and the Series 2023 Bonds];

WHEREAS, all conditions, things and acts required by law to exist, happen and be performed precedent to and in connection with the issuance of the Series 2023 Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Successor Agency is now duly empowered to issue the Series 2023 Bonds;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for

other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

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

“Additional Bonds” shall mean all tax allocation bonds of the Successor Agency authorized and executed pursuant to the Indenture and issued and delivered in accordance with Article IV.

“Annual Debt Service” shall mean, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds [and Parity Debt] are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds [and Parity Debt] due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Authorized Denomination” shall mean \$5,000 principal amount of Bonds, or any integral multiple thereof.

“Average Annual Debt Service” shall mean the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Bond Counsel” shall mean counsel of recognized national standing in the field of law relating to municipal bonds.

“[BOND INS]” shall mean [Bond Insurer], a New York stock insurance company, or any successor thereto or assignee thereof, as the issuer of the 2023 Bond Insurance Policy and the 2023 Reserve Policy.

“Bond Insurance Policy” shall mean, as the context suggests, each of the insurance policies or the applicable insurance policy including, without limitation, the 2023 Bond Insurance Policy, issued by the Bond Insurer guaranteeing the scheduled payment of principal of, and the interest when due on, the specified maturities of the applicable Series of Bonds. Bond Insurance Policy shall include the 2023 Bond Insurance Policy.

“Bond Insurer” shall mean the issuer or issuers of a policy or policies of municipal bond insurance obtained by the Successor Agency to insure the payment of principal of and interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. Bond Insurer shall include the 2023 Bond Insurer. If more than one Bond Insurer, consent rights shall be exercised on a *pro rata* basis of Outstanding Bonds insured.

“Bond Register” shall mean the registration books specified as such in Section 2.13 hereof.

“Bond Year” shall mean (1) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding September 1, and (2) thereafter, each twelve-month period from September 2 in any calendar year to and including September 1 in the following calendar year.

“Bonds” shall mean the Series 2023 Bonds and all Additional Bonds.

“Business Day” shall mean a day of the year on which banks in Los Angeles, California, and any other place in which the Corporate Trust Office of the Trustee is located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“City” shall mean the City of Redding, California.

“Code” shall mean the Internal Revenue Code of 1986, as amended and any regulations of the United States Department of the Treasury issued thereunder.

“Compliance Costs” shall mean those costs incurred by the Successor Agency or the Trustee in connection with their compliance with the Indenture and the Continuing Disclosure Agreement that are chargeable against Tax Revenues or amounts on deposit in the RPTTF as provided in Section 5.01 and 6.16, including legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, amounts to reimburse the Bond Insurer for draws on its Bond Insurance Policy, amounts to reimburse the 2023 Bond Insurer for draws on its 2023 Reserve Policy, and amounts to reimburse the provider of any Qualified Reserve Account Credit Instruments, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 and the Tax Certificate.

“Consultant’s Report” shall mean a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of the Indenture to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Continuing Disclosure Agreement” shall mean that Continuing Disclosure Agreement, dated _____, 2023, by and between the Successor Agency and [_____], as dissemination agent and relating to the Series 2023 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” shall mean such 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 such office located in Los Angeles, California except that with respect to presentation of Bonds for registration, payment, redemption, transfer or exchange, such terms shall mean the office, or agency of the Trustee at any particular time, its corporate trust agency business shall be conducted, or such other office designated by the Trustee from time to time as its Corporate Trust Office.

“Costs of Issuance Fund” shall mean the Fund by that name established pursuant to Section 5.06 hereof.

“Costs of Issuance” shall mean all items of expense directly or indirectly payable by or reimbursable to the Successor Agency or the City and related to the authorization, issuance, sale and

delivery of the Bonds and to refund and optionally redeem the Series 2006 Bonds in accordance with the Series 2006 Indenture, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Escrow Agent, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and to refund and optionally redeem the Series 2006 Bonds in accordance with the Series 2006 Indenture as provided in a Costs of Issuance invoice transmitted by the Successor Agency (which may include costs and expenses of the Successor Agency and the City) to the Successor Agency and the Trustee at the time of the original issuance of the Bonds to be paid from proceeds of the Bonds in accordance with Section 3.01 or as provided in a Supplemental Indenture.

“County” shall mean Shasta County, a political subdivision of the State of California.

“County Auditor-Controller” shall mean the Auditor-Controller of Shasta County.

“Dissolution Act” shall mean Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the Law.

“DOF” shall mean the State of California Department of Finance.

“Escrow Agent” shall mean, as applicable, U.S. Bank Trust Company, National Association, as prior trustee and Escrow Agent under the Irrevocable Refunding Instructions.

“Expense Account” shall mean the account established pursuant to Section 5.03 hereof.

“Federal Securities” shall mean (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Fiscal Year” shall mean the period commencing on July 1 of each year after the date of the sale and delivery of the Bonds and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Successor Agency as its Fiscal Year in accordance with the Law and with notice to the Trustee.

“Former RRA” shall mean the former Redding Redevelopment Agency, created by the City Council of the City.

“Indenture” shall mean this Indenture and all Supplemental Indentures.

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

- (1) is in fact independent and not under the domination of the Successor Agency;
- (2) does not have any substantial interest, direct or indirect, with the Successor Agency; and

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

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

- (1) is in fact independent and not under the domination of the Successor Agency;
- (2) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (3) is not connected with the Successor Agency as a member, officer or employee of the Successor Agency, but who may be regularly retained to make annual or other reports to the Successor Agency.

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

- (1) is in fact independent and not under the domination of the Successor Agency;
- (2) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (3) is not connected with the Successor Agency as a member, officer or employee of the Successor Agency, but who may be regularly retained to make annual or other reports to the Successor Agency.

“Insured Series 2023 Bonds” shall mean the Series 2023 Bonds maturing on September 1, 20__ through 20__, inclusive.

“Interest Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Interest Payment Date” shall mean any March 1 or September 1 on which interest on any Series of Bonds is scheduled to be paid, commencing [March 1, 2024], with respect to the Series 2023 Bonds.

“Investment Agreement” shall mean an investment agreement or guaranteed investment contract meeting the description and the requirements contained in clause (10) of the definition of Permitted Investments herein.

“Investment Earnings” shall mean all interest earned and any realized gains and losses on the investment of moneys in any fund or account created by the Indenture or by any Supplemental Indenture.

“Irrevocable Refunding Instructions” shall mean the Irrevocable Refunding Instructions, dated _____, 2023, relating to the Series 2006 Bonds.

“Law” shall mean the Community Redevelopment Law of the State of California (being Part I of Division 24 of the California Health and Safety Code, as amended), and all laws amendatory thereof or supplemental thereto including, without limitation, the Dissolution Act.

“Maximum Annual Debt Service” shall mean the largest Annual Debt Service for any Bond Year, including the Bond Year in which the calculation is made.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Successor Agency.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Officer’s Certificate” shall mean a certificate signed by the Executive Director of the Successor Agency, the Mayor, the City Manager, the Director of Finance, or the written designee of any such officer, or the City Clerk acting for the Successor Agency.

“Outstanding” when used as of any particular time with reference to Bonds, shall mean (subject to the provisions of Section 9.02) all Bonds except:

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 11.02; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant to the Indenture.

“Oversight Board” shall mean the Shasta County Consolidated Oversight Board pursuant to Section 34179 and established pursuant to Section 34179(j) of the Dissolution Act.

“Owner” or **“Bondowner”** whenever employed herein shall mean the person in whose name such Bond shall be registered.

“Parity Debt” shall mean any additional tax allocation bonds, notes, interim certificates, debentures or other obligations issued by the Successor Agency as permitted by the Indenture payable out of Tax Revenues and ranking on a parity with the Bonds.

“Pass-Through Agreements” shall mean each pass-through agreement and tax sharing agreement entered into by the Successor Agency with respect to the Project Area.

“Pass Through Obligations” shall mean (i) the statutory pass-through obligations of the Successor Agency described under Section 33607.5 of the Law, and (ii) the Pass-Through Agreements, and shall include amounts elected to be allocated pursuant to subdivision (a) of Section 33676 and Section 33607.7 or of the California Health and Safety Code.

“Permitted Investments” shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by local agencies (provided that the Trustee shall be entitled to rely upon any Written Request from the Successor Agency as conclusive certification to the Trustee that the investments described therein are permitted by the general laws of the State of California applicable to investments by local agencies):

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a national banking association, bank, trust company or bank holding company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National Mortgage Association (“GNMA”); and (f) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having at the time of purchase “A” or

better rating for the issuer's long-term debt as provided by [S&P] and "A-1" or better rating for the issuer's short-term debt as provided by [S&P].

(4) The Shasta County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as "bankers' acceptances," having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of "P-1" by [S&P], and a long-term debt rating of no less than "A" by [S&P].

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 *et seq.*) and whose fund has received the highest possible rating from [S&P] and at least one other Rating Agency including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the "A" category or better from [S&P] which may include the Trustee and its affiliates.

(8) Pre-refunded municipal obligations rated "AAA" by [S&P] meeting the following requirements:

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

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

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

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

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

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

(9) Repurchase agreements which have a maximum maturity of 30 days, or due on demand, and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” by [S&P].

(11) Local Agency Investment Fund (established under Section 16429.1 of the California Government Code), provided that such investment is held in the name and to the credit of the Trustee, and provided further that the Trustee may restrict such investment if required to keep moneys available for the purposes of the Indenture.

(12) Shares in a State of California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended.

(13) U.S. dollar denominated deposit accounts, federal funds, certificates of deposit (including those placed by a third party pursuant to a separate agreement between the District and the Trustee), trust funds, trust accounts, other deposit products, overnight bank deposits, interest bearing deposits, interest bearing money market accounts and banker’s acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by [S&P] and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank or (ii) which are fully insured by the Federal Deposit Insurance Corporation.

“Principal Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Principal Corporate Trust Office” shall mean the office of the Trustee in Los Angeles, California, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office, or agency of the Trustee at any particular time its corporate trust agency business shall be conducted, or such other offices as it shall designate from time to time.

“Principal Installment” shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds (including mandatory sinking fund payments) due on such date, if any.

“Principal Payment Date” shall mean any September 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on [September 1, 2024] with respect to the Series 2023 Bonds.

“Project” shall mean the undertaking heretofore of the Former RRA and/or the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

“Project Area” shall mean the project area described in the Redevelopment Plan, known as the SHASTEK Redevelopment Project.

“Qualified Reserve Account Credit Instrument” shall mean (i) the 2023 Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond or policy issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the

following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating to such bank or insurance company of "A" (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Account Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Term Bonds Sinking Account for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to the Trustee before the effective date of any such Qualified Reserve Account Credit Instrument; provided that in the event of a Qualified Reserve Account Credit Instrument is downgraded by a rating agency, the Successor Agency is not required to replace the Qualified Reserve Account Credit Instrument or deposit cash in the Reserve Account.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 6.11 hereof.

"Rebate Instructions" shall mean those calculations and directions required to be delivered to the Trustee by the Successor Agency pursuant to the Tax Certificate.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate.

"Recognized Obligation Payment Schedule" or "ROPS" shall mean a Recognized Obligation Payment Schedule, setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177 of the Dissolution Act, each prepared and approved from time to time pursuant to the Dissolution Act.

"Redevelopment Obligation Retirement Fund" shall mean the fund by that name established pursuant to Section 34170.5(a) of the Law and administered by the Successor Agency.

"Redevelopment Plan" shall mean, the SHASTE C Redevelopment Plan for the SHASTE C Redevelopment Project Area, adopted and approved as the Redevelopment Plan for the Project by Ordinance No. 2151, adopted by the City Council of the City of Redding, California on July 2, 1996, together with all amendments thereof or supplements thereto hereafter made in accordance with the Law; adopted and approved as the Redevelopment Plan for the Project by Ordinance No. 644, adopted by the City Council of the City of Anderson on July 2, 1996, together with all amendments thereof or supplements thereto hereafter made in accordance with the Law; and adopted and approved as the Redevelopment Plan for the Project by Ordinance No. 592; adopted by the Board of Supervisors of the County of Shasta on July 2, 1996, together with all amendments thereof or supplements thereto hereafter made in accordance with the Law.

"Regulations" shall mean temporary and permanent regulations promulgated or applicable under Section 103 and all related provisions of the Code.

"Related Documents" shall mean the Indenture and any other document executed by the Successor Agency in connection with the issuance of the Series 2023 Bonds including, without limitation, the Series 2023 Bonds issued hereunder.

"Reserve Account" shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

"Reserve Account Requirement" shall mean as of the date of any calculation, with respect to all Outstanding Bonds an amount equal to the lesser of (i) the Maximum Annual Debt Service attributable to

the Outstanding Bonds or (ii) 125% of Average Annual Debt Service attributable to the Outstanding Bonds; provided however, that the Reserve Account Requirement when issuing a new Series of Bonds shall be the lesser of (i) or (ii) above, but limited to the addition to the Reserve Account of no more than 10% of the proceeds from the sale of such new Series of Bonds.

“Responsible Officer” shall mean any Vice-President, Assistant Vice President, Trust Officer or other officer of the Trustee having regular responsibility for corporate trust matters.

“ROPS Payment Period” shall mean a ROPS Period; provided, that if the Dissolution Act is hereafter amended such that each ROPS Period covers a fiscal period of a different length, then “ROPS Payment Period” shall mean the period during which moneys distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Act, as amended.

“ROPS Period” shall mean each annual period from July 1 to June 30, inclusive, as provided in subdivision (o) of Section 34177 of the Dissolution Act; provided, that if the Dissolution Act is hereafter amended such that each ROPS covers a fiscal period of a different length, then “ROPS Period” shall mean such other applicable period established under the Dissolution Act, as amended.

“RPTTF” or **“Redevelopment Property Tax Trust Fund”** shall mean the fund by that name established pursuant to Health and Safety Code Section 34170.5(b) and administered by the County Auditor-Controller.

“RPTTF Distribution Date” shall mean each January 2 and June 1, as specified in Section 34183 of the Dissolution Act, on which the County Auditor-Controller allocates and distributes to the Successor Agency monies from the RPTTF for payment on enforceable obligations pursuant to an approved ROPS.

“Securities Depository” shall mean, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Successor Agency.

“Serial Bonds” shall mean Bonds for which no Sinking Account Installments are provided.

“Series” shall mean each initial series of Series 2023 Bonds executed, authenticated and delivered and identified pursuant to the Indenture and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate series of Bonds.

“Series 2006 Indenture” shall mean that Indenture of Trust, as supplemented by that First Supplemental Indenture, each dated as of July 1, 2006, by and between the Former RRA and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee.

“Series 2006 Bonds” shall mean the outstanding Redding Redevelopment Agency SHASTECC Redevelopment Project Tax Allocation Bonds, Series 2006.

“Series 2023 Bonds” shall mean the [Successor Agency to the Redding Redevelopment Agency SHASTECC Redevelopment Project Tax Allocation Refunding Bonds, Series 2023] issued under this Indenture.

“Sinking Account Installment” shall mean the amount of money required to be paid by the Successor Agency on a Sinking Account Payment Date toward the retirement of any particular Term Bonds on or prior to their respective stated maturities, as set forth in the Indenture.

“Sinking Account Payment Date” shall mean any September 1 on which Sinking Account Installments on Term Bonds are scheduled to be paid, as set forth in the Indenture.

“S&P” shall mean S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then “S&P” shall be deemed to refer to any other nationally-recognized rating agency selected by the Successor Agency.

“Substitute Depository” shall mean the substitute depository as defined in Section 2.12.

“Successor Agency” shall mean the City of Redding as Successor Agency to the Redding Redevelopment Agency, as successor to the Former RRA in accordance with the Dissolution Act.

“Supplemental Indenture” shall mean any indenture amending or supplementing the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“2023 Bond Insurance Policy” shall mean the insurance policy issued by the 2023 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2023 Bonds when due.

“2023 Bond Insurer” shall mean [Bond Insurer], or any successor thereto or assignee thereof, as insurer of the Insured Series 2023 Bonds and issuer of the 2023 Reserve Policy.

“2023 Reserve Policy” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2023 Bond Insurer and dated _____, 2023.

“Tax Certificate” shall mean that certificate and agreement, relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Successor Agency on the date the Tax-Exempt Bonds, including the Series 2023 Bonds, are issued, as the same may be amended or supplemented in accordance with its terms.

“Tax-Exempt” shall mean the Series 2023 Bonds and, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the owners thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Tax Increment Fund” shall mean the fund established pursuant to Section 5.01 hereof.

“Tax Revenues” shall mean [all taxes annually allocated and paid to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws for allocation to the Successor Agency in connection with the Project Area and as provided in the SHASTEAC Project Agreement and the Redevelopment Plan, to the extent not payable with respect to Pass Through Obligations, and subject to the equal and senior claims of indebtedness, if, any, and the prior claim on such taxes allocated as Basic Aid Payments to the Shasta County Office of Education.]

[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 will include all tax revenues allocated to the Successor Agency in connection with the Project Area and as

provided in the SHASTECC Project Agreement for the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.]

“Term Bonds” shall mean Bonds which are payable on or before their specified maturity dates from Sinking Account Installments established for that purpose.

“Term Bonds Sinking Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Trustee” shall mean U.S. Bank Trust Company, National Association, appointed by the Successor Agency in Section 7.01 and acting with the duties and powers herein provided, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.02.

“Verification Report” shall mean a report of an independent firm of nationally recognized certified public accountants, or such other firm as shall be acceptable to the Bond Insurer, addressed to the Successor Agency, the Trustee and the Bond Insurer, verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“Written Request of the Successor Agency” shall mean an instrument in writing signed by Executive Director of the Successor Agency, the Mayor, the City Manager, the Director of Finance, or the written designee of any such officer, or the City Clerk acting for the Successor Agency, or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions herein contained; and the agreements and covenants 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 Bonds over any other Bonds.

ARTICLE II

THE BONDS; CERTAIN PROVISIONS OF THE BONDS

Section 2.01 General Authorization; Bonds. The Series 2023 Bonds and Additional Bonds may be issued at any time under and subject to the terms of the Indenture. The Successor Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2023 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2023 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2023 Bonds in the manner and form provided in the Indenture. Accordingly, the Successor Agency hereby authorizes the issuance of the Series 2023 Bonds for the purposes set forth in the preamble of the Indenture.

Section 2.02 Terms of Series 2023 Bonds. The Series 2023 Bonds authorized to be issued by the Successor Agency under and subject to the terms of the Indenture and the Law shall be designated the “[Successor Agency to the Redding Redevelopment Agency SHASTECH Redevelopment Project Tax Allocation Refunding Bonds, Series 2023]” and shall be in the aggregate principal amount of \$ _____. The Series 2023 Bonds shall be issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Bonds maturing at any one time). The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond for each maturity of Bonds in the principal amount of the respective maturities of Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

Payment of interest on the Series 2023 Bonds shall be made to Cede & Co. as registered owner, or such other person whose name appears on the bond registration books of the Trustee as the registered owner of the Series 2023 Bonds, as of the close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the “**Record Date**”), or if otherwise instructed, by check mailed on the Interest Payment Date to such registered owner at its address as it appears on such books or at such other address as it may have filed with the Trustee for that purpose prior to the Record Date.

Each Series 2023 Bond shall be numbered in consecutive numerical order from RA-1 and RB-1, respectfully, upwards. Each Series 2023 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Interest Payment Date, in which event they shall bear interest from [February 15, 2024], provided, however, that if, at the time of authentication of any Series 2023 Bond, interest is then in default on such Series 2023 Bond, such Series 2023 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment. Interest on the Series 2023 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2023 Bonds shall be dated their date of initial delivery and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Maturity Date (September 1)	Principal Amount	Interest Rate
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

* Insured Series 2023 Bonds.

Principal and redemption premiums, if any, on the Series 2023 Bonds shall be payable in immediately available funds. Principal and redemption premiums, if any, and interest on the Series 2023 Bonds shall be paid in lawful money of the United States of America.

Section 2.03 Form of Series 2023 Bonds. The Series 2023 Bonds, the Trustee’s authentication and registration endorsement, and the assignment to appear thereon shall be substantially in the form attached hereto as Appendix A.

Section 2.04 Redemption of Series 2023 Bonds.

(a) Optional Redemption of Series 2023 Bonds. The Series 2023 Bonds maturing on or after September 1, 20__, are subject to optional redemption before maturity on or after September 1, 20__, at the option of the Successor Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2023 Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2023 Bonds under this Section (a) at least forty-five (45) days prior to the date fixed for such redemption, or such lesser number of days as permitted by the Trustee.

(b) Mandatory Sinking Account Redemption of Series 2023 Bonds. The Series 2023 Term Bonds maturing on September 1, 20__ are subject to redemption, in part, by lot, from mandatory Sinking Account payments deposited in the Sinking Account for the purpose of making payments required pursuant to Section 5.03(c), on each September 1, from and after September 1, 20__ to and including September 1, 20__, at the principal amount thereof plus accrued interest, if any, to the date of redemption (without premium), as follows:

Mandatory Sinking Account Payment Date September 1,	Mandatory Sinking Account Payment
20__	
20__ [†]	

† Term Maturity.

If some but not all of the Series 2023 Term Bonds maturing on September 1, 20__ are redeemed pursuant to Section 2.04(a), the principal amount of such Series 2023 Term Bonds to be redeemed pursuant to Section 2.04(b) on any subsequent September 1 shall be reduced, on a *pro rata* basis as nearly as practicable, as directed by the Successor Agency in a Written Certificate of the Successor Agency; provided, however, that (i) after such reduction, the principal amount of the Series 2023 Term Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 2.04(b) on any subsequent September 1 shall be equal to a denomination of \$5,000 and any integral multiple thereof, and (ii) the aggregate amount of such reductions shall not exceed the aggregate amount of the Series 2023 Term Bonds maturing on September 1, 20__ redeemed pursuant to Section 2.04(a).

The Series 2023 Term Bonds maturing on September 1, 20__ are subject to redemption, in part, by lot, from mandatory Sinking Account payments deposited in the Sinking Account for the purpose of making payments required pursuant to Section 5.03(c), on each September 1, from and after September 1, 20__ to and including September 1, 20__, at the principal amount thereof plus accrued interest, if any, to the date of redemption (without premium), as follows:

Mandatory Sinking Account Payment Date September 1,	Mandatory Sinking Account Payment
20__	
20__†	
† Term Maturity.	

If some but not all of the Series 2023 Term Bonds maturing on September 1, 20__ are redeemed pursuant to Section 2.04(a), the principal amount of such Series 2023 Term Bonds to be redeemed pursuant to Section 2.04(b) on any subsequent September 1 shall be reduced, on a *pro rata* basis as nearly as practicable, as directed by the Successor Agency in a Written Certificate of the Successor Agency; provided, however, that (i) after such reduction, the principal amount of the Series 2023 Term Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 2.04(b) on any subsequent September 1 shall be equal to a denomination of \$5,000 and any integral multiple thereof, and (ii) the aggregate amount of such reductions shall not exceed the aggregate amount of the Series 2023 Term Bonds maturing on September 1, 20__ redeemed pursuant to Section 2.04(a).

Section 2.05 Notice of Redemption. In the case of any redemption of Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by serial numbers, Series and maturity date (and interest rate in the case of bifurcated maturities), have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, the respective series of Bonds, or portions thereof, as applicable, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Request of the Successor Agency given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Request of the Successor Agency, the Trustee shall promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Section 2.06 Selection of Bonds for Redemption. Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot, and in selecting the Bonds for redemption the Trustee shall treat each Bond of a

denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Successor Agency in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

Section 2.07 Payment of Redeemed Bonds. If notice of redemption has been given or waived as provided in Section 2.05, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Successor Agency shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such authorized denominations as shall be specified by the Owner. If the Owner of the Bonds is registered to Cede & Co., payment of the redeemed Bonds shall be made without presentment.

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Successor Agency, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Section 2.08 Purchase in Lieu of Redemption. In lieu of redemption of any Bond pursuant to the provisions of subsection (a) of Section 2.04 or Section 5.03 hereof, amounts on deposit in the Term Bonds Sinking Account may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Successor Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Successor Agency may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Bonds shall be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Bonds so purchased shall be cancelled by the Trustee forthwith and shall not be reissued. The principal of any Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year shall be credited towards and shall reduce the principal of such Term Bonds required to be redeemed on such Sinking Account Payment Date in such year. The Successor Agency shall provide the Trustee with a revised sinking fund schedule.

Section 2.09 Execution of Bonds. The Mayor, the City Manager or the Director of Finance acting for the Successor Agency or the Executive Director of the Successor Agency shall execute each of the Bonds on behalf of the Successor Agency and the City Clerk shall attest each of the Bonds on behalf of the Successor Agency. Any of the signatures of said Mayor, the City Manager, the Director of Finance and the City Clerk may be by printed, lithographed or engraved facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds. 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 at the nominal date of such Bond any such person may not have been such officer of the Successor Agency.

Except as may be provided in a Supplemental Indenture, only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinbefore recited, executed and dated by the Trustee, upon the Written Request of the Successor Agency, shall be entitled to any benefits under the Indenture or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so registered have been duly issued and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.10 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.13, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount of the same Series, interest rate and maturity date (and interest rate in the case of bifurcated maturities). The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not be required to register the transfer of any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.11 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office for a like aggregate principal amount of Bonds of the same Series, interest rate and maturity date (and interest rate in the case of bifurcated maturities) in other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to exchange any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.12 Use of Depository. Notwithstanding any provision of the Indenture to the contrary:

(a) The Bonds shall be initially issued as provided in Section 2.01. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“**Substitute Depository**”); provided that any successor of the Securities Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Successor Agency and not objected to by the Trustee, upon (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Successor Agency that the Securities Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of the Securities Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository which is not objected to by the Trustee can be obtained or (2) a determination by the Successor Agency that it is in the best interests of the Successor Agency to remove the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Written Request of the Successor Agency to the Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Written Request of the Successor Agency. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee together with a Written Request of the Successor Agency to the Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order and registered in the names of such persons as are requested in such a Written Request of the Successor Agency, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Written Request of the Successor Agency.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Successor Agency and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Successor Agency; and the Successor Agency and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Successor Agency nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or Substitute Depository or its successor), except for the Owner of any Bond.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Successor Agency and the Trustee shall cooperate with Cede & Co., as sole registered Owner, and its registered assigns in effecting payment of the principal of and redemption premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 2.13 Bond Registration Books. (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times, upon reasonable notice, be open to inspection by any Bondowner or his agent duly authorized in writing or the Successor Agency; 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 such books, Bonds as hereinbefore provided.

(b) The person in whose name any Bond shall be registered shall be deemed the owner thereof for all purposes thereof, and payment of or on account of the principal of, and the interest on or redemption price of by such Bond shall be made only to or upon the order in writing of such Owner, which payment

shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Upon initial issuance of the Bonds, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.13 in the name of Cede & Co.

Section 2.14 Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated, or shall be believed by the Successor Agency or the Trustee to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee, and upon the surrender of such mutilated Bond at the Corporate Trust Office or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss, and upon receipt also of indemnity for the Trustee and the Successor Agency satisfactory to the Trustee, and upon payment by the Owner of all expenses incurred by the Successor Agency and the Trustee, the Successor Agency shall execute and the Trustee shall authenticate and deliver at said office a new Bond or Bonds of the same Series and maturity and for the same aggregate principal amount, of like tenor and date, bearing the same number or numbers, with such notations as the Trustee shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

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

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

Section 2.15 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Successor Agency for the financing or refinancing of any redevelopment project financed with proceeds of the Series 2006 Bonds, or by any contracts made by the Successor Agency in connection therewith, and shall not be dependent upon the completion of the financing such redevelopment project or upon the performance by any person of his obligation with respect to such redevelopment project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE III

APPLICATION OF PROCEEDS OF BONDS

Section 3.01 Application of Proceeds of Sale of Series 2023 Bonds — Allocation Among Funds and Accounts. The proceeds (net of an allocable portion of underwriter's discount and a cost of the premiums paid to the 2023 Bond Insurer for the 2023 Reserve Policy and for the Bond Insurance Policy) of the sale of the Series 2023 Bonds, together with \$_____ released by the Successor Agency from amounts on deposit under the Series 2006 Indenture, shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(a) The Trustee shall deposit in the Reserve Account established pursuant to Section 5.03(d) hereof the 2023 Reserve Policy in satisfaction of the applicable portion of the Reserve Account Requirement;

(b) The Trustee shall transfer \$_____ to the Escrow Agent for deposit into the Escrow Fund, as provided in the Irrevocable Refunding Instructions; and

(c) The Trustee shall transfer \$_____ to the Costs of Issuance Fund for the payment of the Costs of Issuance allocable to the Series 2023 Bonds.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits and transfers.

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The Successor Agency may at any time after the issuance and delivery of the Series 2023 Bonds hereunder issue Additional Bonds hereunder payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, for the purpose of refunding bonds or other indebtedness of the Successor Agency or the Former RRA (including, without limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding or providing for the funding of related reserves, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) A Written Request of the Successor Agency shall have been filed with the Trustee containing a statement to the effect that the Successor Agency shall be in compliance with all covenants set forth in the Indenture and any Supplemental Indentures, and no Event of Default shall have occurred and be continuing.

(b) The issuance of such Additional Bonds shall have been duly authorized pursuant to the Law and all applicable laws, and the issuance of such Additional Bonds shall have been provided for by a Supplemental Indenture; which shall specify the following:

(i) The authorized principal amount of such Additional Bonds;

(ii) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal Payment Dates and Sinking Account Payment Dates may occur only on Interest Payment Dates, and (ii) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iii) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2023 Bonds;

(iv) The denomination and method of numbering of such Additional Bonds;

(v) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vi) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

(vii) The amount, if any, to be deposited from the proceeds of such Additional Bonds in the Reserve Account; provided that the amount deposited in or credited to such Reserve Account shall be increased at or prior to the time such Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then Outstanding Bonds and such Additional Bonds, and that an amount at least equal to the Reserve Account Requirement on all Outstanding Bonds shall thereafter be maintained in or credited to such Reserve Account;

(viii) The form of such Additional Bonds; and

(ix) Such other provisions, as are necessary or appropriate and not inconsistent with the Indenture.

(c) Such Additional Bonds may be issued only for the purpose of refunding bonds or other indebtedness of the Successor Agency or its Former RRA (including, without limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding and funding or providing for the funding of related reserves, and the payment of all costs incidental to or connected with such refunding, provided that the issuance of such Additional Bonds shall comply with the terms of California Health and Safety Code Section 34177.5.

Nothing contained in the Indenture shall limit the issuance of any tax increment bonds or other obligations of the Successor Agency secured by a lien and charge on Tax Revenues junior to that of the Bonds.

Section 4.02 Procedure for the Issuance of Additional Bonds. All of the Additional Bonds shall be executed by the Successor Agency for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Written Request of the Successor Agency, but only upon receipt by the Trustee of the following documents or money or securities:

(a) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Successor Agency as to the authentication and delivery of such Additional Bonds;

(c) An opinion of Bond Counsel to the effect that (1) the Successor Agency has the right and power under the Law to enter into the Indenture and all Supplemental Indentures thereto, and the Indenture and all such Supplemental Indentures have been duly executed by the Successor Agency and are valid and binding upon the Successor Agency and enforceable against the Successor Agency in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases), and no other authorization for the Indenture or such Supplemental Indentures is required; (2) the Indenture creates the valid pledge which it purports to create of the Tax Revenues

as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (3) such Additional Bonds are valid and binding special obligations of the Successor Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Law, and such Additional Bonds have been duly and validly authorized and issued in accordance with the Law and the Indenture and all such Supplemental Indentures;

(d) A Written Request of the Successor Agency containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture; and

(e) Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE V

TAX REVENUES; CREATION OF FUNDS

Section 5.01 Pledge of Tax Revenues; Tax Increment Fund. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Outstanding Bonds and any Parity Debt as provided herein. The Successor Agency hereby irrevocably grants to the Trustee for the benefit of the Bond Insurer, the 2023 Bond Insurer as issuer of the Policy and the 2023 Reserve Policy, the issuer of any Qualified Reserve Account Credit Instrument, and the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and hereby pledges and assigns, the Tax Revenues, whether held by the Successor Agency, the County Auditor-Controller or the Trustee, and all amounts in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund), including the "City of Redding as Successor Agency to the Redding Redevelopment Agency Tax Increment Fund" (hereinafter called the "**Tax Increment Fund**"), which is hereby created by the Successor Agency and which fund the Successor Agency hereby covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder or amounts are owed to the Bond Insurer, the 2023 Bond Insurer as issuer of the Policy and the 2023 Reserve Policy, or the issuer of any Qualified Reserve Account Credit Instrument, or to the Trustee for the benefit of the Bond Insurer, the 2023 Bond Insurer as issuer of the Policy and the 2023 Reserve Policy, the issuer of any Qualified Reserve Account Credit Instrument, and the Owners of the Outstanding Bonds.

Notwithstanding the foregoing, there shall not be deposited with the Trustee for deposit in the Tax Increment Fund any taxes eligible for allocation to the Successor Agency pursuant to the Law in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Tax Increment Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Article XI hereof. No additional bonds payable from Tax Revenues on a basis senior to or on a parity with the Bonds will be issued except pursuant to Article IV of the Indenture.

The Successor Agency covenants and agrees that all Tax Revenues when and as received, will be received by the Successor Agency in trust hereunder and will be transferred to the Trustee within a reasonable period of time from the receipt by the Successor Agency thereof, for deposit by the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and

the Successor Agency shall have no beneficial right or interest in any of such money, except only as specifically provided otherwise in the Indenture. All such Tax Revenues, whether received by the Successor Agency and held in trust pending transfer or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Successor Agency. Any Tax Revenues received by the Trustee in the Tax Increment Fund (other than amounts deposited in the Reserve Account) in excess of the amounts required to be held by the Trustee in the Tax Increment Fund shall be released from the pledge and lien hereunder and transferred to the Successor Agency and may be used for any lawful purpose of the Successor Agency.

Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the Redevelopment Property Tax Trust Fund. In furtherance of this Section 5.01 and the Dissolution Act, and in accordance with the County Auditor-Controller's obligations as set forth in California Health and Safety Code Section 34183, the Successor Agency shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the Redevelopment Property Tax Trust Fund, (2) allocates funds for the principal and interest payments due on the Outstanding Bonds and any Parity Debt and any deficiency in the Reserve Account (including amounts due to the issuer of the 2023 Reserve Policy or the provider of any Qualified Reserve Account Credit Instrument) pursuant to each valid Recognized Obligation Payment Schedule in accordance with the Dissolution Act and as provided in this Section 5.01, and (3) make the transfers to the Trustee required under Section 5.02 of the Indenture.

The Successor Agency will take all actions required under the Dissolution Act to include on its ROPS the amounts described below to be transmitted to the Trustee for the applicable ROPS Period in order to satisfy the requirements of the Indenture, including any amount of Tax Revenues required to pay principal and interest payments due on Outstanding Bonds and any Parity Debt, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement (including amounts due to the issuer of the 2023 Reserve Policy or the provider of any Qualified Reserve Account Credit Instrument). The Successor Agency shall submit an Oversight Board-approved ROPS to the County Auditor-Controller and the Department of Finance on or before February 1 with respect to the ROPS Period commencing the following July 1.

Expected Compliance Costs, if any, will be included in each ROPS in accordance with the Dissolution Act.

The ROPS A period includes the months from 07-01 to 12-31. The ROPS B period includes the months from 01-01 to 06-30.

[In furtherance of such pledge, and in preparing a given ROPS, the Successor Agency shall reflect on each annual ROPS that the amount of Tax Revenues due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the next calendar year from Tax Revenues required to be deposited into the RPTTF shall equal (1) the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the next calendar year as shown on Appendix B - Schedule of Annual Interest and Principal Payments of the Series 2023 Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the next calendar year as shown on Appendix B - Schedule of Annual Interest and Principal Payments of the Series 2023 Bonds, plus (2) the amount of any deficiency in the Reserve Account (including amounts to reimburse the 2023 Bond Insurer for draws on its 2023 Reserve Policy and amounts to reimburse the provider of any Qualified Reserve Account Credit Instruments) and (3) the amount of Tax Revenues due to reimburse the Bond Insurer for draws on its Bond Insurance Policy, less (4) the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to this

Section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds and any Parity Debt in the then current calendar year. The amount of Tax Revenues due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then current calendar year from amounts required to be deposited into the RPTTF shall be equal to the remainder due and payable on the Outstanding Bonds and any Parity Debt during the then current calendar year in an amount equal to not less than (1) the remaining sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the then current calendar year as shown on Appendix B - Schedule of Annual Interest and Principal Payments of the Series 2023 Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the then current calendar year as shown on Appendix B - Schedule of Annual Interest and Principal Payments of the Series 2023 Bonds, plus (2) the amount of any deficiency in the Reserve Account (including amounts to reimburse the 2023 Bond Insurer for draws on its 2023 Reserve Policy and amounts to reimburse the provider of any Qualified Reserve Account Credit Instruments) and (3) the amount of Tax Revenues due to the amounts to reimburse the Bond Insurer for draws on its Bond Insurance Policy.]

Tax Revenues received by the Successor Agency during a ROPS Period in excess of the amount required, as provided in this Section, to be deposited in the Tax Increment Fund shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this Section on each such date, be released from the pledge, security interest and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Successor Agency for any lawful purpose of the Successor Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and any Parity Debt and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Section 5.02 Receipt and Deposit of Tax Revenues. The Successor Agency covenants and agrees that all Tax Revenues, when and as received in accordance with Section 5.01 hereof, will be received by the Successor Agency in trust hereunder and shall be deemed to be held by the Successor Agency as agent for the Trustee and will, not later than five (5) Business Days following such receipt, be deposited by the Successor Agency with the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Successor Agency shall have no beneficial right or interest in any of such money, except only as provided in the Indenture; provided that the Successor Agency shall not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Trustee for deposit into the Tax Increment Fund pursuant to Section 5.01. All such Tax Revenues, whether received by the Successor Agency in trust or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Successor Agency.

Section 5.03 Establishment and Maintenance of Accounts for Use of Moneys in the Tax Increment Fund. All Tax Revenues in the Tax Increment Fund shall be set aside by the Trustee in each Bond Year when and as received in the following respective special accounts within the Tax Increment Fund (each of which is hereby created and each of which the Successor Agency hereby covenants and agrees to cause to be maintained with the Trustee so long as the Bonds shall be Outstanding hereunder), in the following order of priority (except as otherwise provided in subsection (b) below):

- (1) Interest Account;

- (2) Principal Account;
- (3) Term Bonds Sinking Account;
- (4) Reserve Account; and
- (5) Expense Account.

All moneys in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 5.03.

(a) Interest Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) Principal Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in such Bond Year. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year. All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying principal of the Serial Bonds as they shall become due and payable.

In the event that there shall be insufficient money in the Tax Increment Fund to pay in full all such principal and Sinking Account Installments due pursuant to Section 5.03(c) hereof in such Bond Year, then the money available in the Tax Increment Fund shall be applied *pro rata* to the payment of such principal and Sinking Account Installments in the proportion which all such principal and Sinking Account Installments bear to each other.

(c) Term Bonds Sinking Account. The Trustee shall deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of purchasing or redeeming the Term Bonds in accordance with Section 2.04(b) hereof.

(d) Reserve Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein an amount equal to the Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Term Bonds Sinking Account in such order, in the event

of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date or Sinking Account Payment Date, or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Successor Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Account Requirement shall be transferred to the Tax Increment Fund.

On any date on which Bonds are defeased in accordance with Section 11.02 hereof, the Trustee shall, if so directed in a Written Request of the Successor Agency, transfer any moneys in the Reserve Account in excess of the Reserve Account Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Successor Agency, to be applied to such defeasance.

If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Parity Debt or withdraws funds from the Reserve Account to pay principal and interest on the Bonds and any Parity Debt, the Trustee shall notify the Successor Agency in writing of such failure or withdrawal, as applicable.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account (other than the 2023 Reserve Policy) in lieu of a cash deposit into the Reserve Account. Amounts drawn under the 2023 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2023 Bonds when due.

The Trustee shall ascertain the necessity for a claim upon the 2023 Reserve Policy in accordance with the provisions of paragraph (a) of Section 5.05 hereof and to provide notice to the 2023 Bond Insurer in accordance with the terms of the 2023 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2023 Bonds, respectively. Where deposits are required to be made by the Successor Agency with the Trustee to the Interest Account and Principal Account of the Tax Increment Fund for the Series 2023 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to the 2023 Bond Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two Business Days of the date due.

(e) Expense Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs as specified in a Written Request of the Successor Agency setting forth the amounts. All moneys in the Expense Account shall be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Successor Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds herein authorized, or any interest thereon, remain unpaid, the moneys in the Expense Account shall be used for no purpose other than those required or permitted by the Indenture and the Law.

Section 5.04 Investment of Moneys in Funds and Accounts. Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Successor Agency, filed with the Trustee at least two (2) Business Days in advance of the making of such investments shall be invested by the Trustee in Permitted Investments. If such instructions are not provided, the Trustee shall hold such funds uninvested pending the receipt of written investment instructions. Moneys in the Interest Account representing accrued interest paid to the Successor Agency upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Successor Agency, shall be invested by the Trustee in Permitted Investments. Permitted Investments purchased with amounts on deposit in the Reserve Account shall have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that

if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested shall mature prior to the date on which such moneys are estimated to be required to be paid out hereunder. Any interest, income or profits from the deposits or investments of all other funds and accounts held by the Trustee (other than the Expense Account and the Rebate Fund) shall be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Trustee hereunder, all Permitted Investments credited to such fund or account shall be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account shall be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value shall be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under the Indenture shall be valued at least annually on the first day of September after the principal payment has been made.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder. To the extent Permitted Investments are registrable, such investments shall be registered in the name of the Trustee. The Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Trustee shall not be responsible for any loss resulting from such investment. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee shall have no investment discretion.

Section 5.05 2023 Reserve Policy Payment and Reimbursement Provisions. [EXEMPLAR PROVISIONS PENDING REVIEW OF ANY BOND INSURER COMMITMENT] The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

(a) The Successor Agency shall from available Tax Revenues repay any draws under the 2023 Reserve Policy, pay all related reasonable expenses incurred by the 2023 Bond Insurer and pay interest thereon from the date of payment by the 2023 Bond Insurer at the Late Payment Rate. “**Late Payment Rate**” means the lesser of (x) 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 change is announced by JPMorgan Chase Bank) plus [3.00]%, and (ii) the then applicable highest rate of interest on the outstanding Series 2023 Bonds and (y) 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 national bank as the 2023 Bond Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an

effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the 2023 Bond Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and the 2023 Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “**2023 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 2023 Policy Costs related to such draw.

The obligation to pay 2023 Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2023 Bonds (subject only to the priority of payment provisions set forth under the Indenture). Amounts in respect of 2023 Policy Costs paid to the 2023 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 2023 Bond Insurer on account of principal due, the coverage under the 2023 Reserve Policy will be increased by a like amount, subject to the terms of the 2023 Reserve Policy.

All cash and investments in the Reserve Account applicable to the Series 2023 Bonds shall be transferred to the Interest Account and Principal Account of the Tax Increment Fund for payment of debt service on the Series 2023 Bonds before any drawing may be made on the 2023 Reserve Policy or any other Qualified Reserve Account Credit Instrument credited to the Reserve Account applicable to the Series 2023 Bonds in lieu of cash. Payment of any 2023 Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Qualified Reserve Account Credit Instruments (including the 2023 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 applicable to the Series 2023 Bonds. Payment of 2023 Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Account Credit Instruments shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account applicable to the Series 2023 Bonds. 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.

(b) If the Successor Agency shall fail to pay any 2023 Policy Costs in accordance with the requirements of subparagraph (a) hereof, 2023 Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the 2023 Bonds or (ii) remedies which would adversely affect owners of the 2023 Bonds.

(c) The Indenture shall not be discharged until all 2023 Policy Costs owing to the 2023 Bond Insurer shall have been paid in full. The Successor Agency’s obligation to pay such amounts shall expressly survive payment in full of the Series 2023 Bonds.

(d) The Successor Agency shall include any 2023 Policy Costs then due and owing the 2023 Bond Insurer in the calculation of the additional bonds test and on the Recognized Payment Obligation Schedules.

(e) The Successor Agency will pay or reimburse the 2023 Bond Insurer from Tax Revenues any and all reasonable charges, fees, costs, losses, liabilities and expenses which the 2023 Bond Insurer may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the 2023 Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to the Indenture, any party to the Indenture or the transactions contemplated by the Indenture, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Indenture, if any, or the pursuit of any remedies under the Indenture, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Indenture or the 2023 Reserve Policy whether or not executed or completed, or (v) any action taken by the 2023 Bond Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under the Indenture; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the 2023 Bond Insurer spent in connection with the actions described in clauses (ii) through (v) above. The 2023 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture. Amounts payable by the Successor Agency hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the 2023 Bond Insurer until the date the 2023 Bond Insurer is paid in full.

(f) The obligation of the Successor Agency to pay all amounts due to the 2023 Bond Insurer shall be an absolute and unconditional obligation of the Successor Agency payable from Tax Revenues and will be paid or performed strictly in accordance with the provisions of this Section, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Series 2023 Bonds or the Indenture, (ii) any amendment or other modification of, or waiver with respect to the 2023 Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2023 Bonds or the Indenture; (iv) whether or not such Series 2023 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the 2023 Reserve Policy or the Indenture; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than the 2023 Bond Insurer, whether in connection with the transactions contemplated herein or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the 2023 Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the 2023 Bond Insurer under the 2023 Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the 2023 Reserve Policy.

(g) The Successor Agency shall fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the 2023 Bond Insurer) of the Indenture applicable to it, each of the provisions thereof being expressly incorporated into this Section by reference solely for the benefit of the 2023 Bond Insurer as if set forth directly herein. No provision of the Indenture shall be amended, supplemented, modified or waived, without the prior written consent of the 2023 Bond Insurer, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Successor Agency hereunder or the priority accorded to the reimbursement of 2023 Policy Costs under the Indenture.

Section 5.06 Costs of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon receipt of a Written Request of the Successor Agency filed with the Trustee. Each such requisition 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. In no event shall moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of the Bonds, or upon earlier receipt of a Written Request of the Successor Agency stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to the Tax Increment Fund. The Trustee shall then close the Costs of Issuance Fund.

ARTICLE VI

COVENANTS OF THE AGENCY

Section 6.01 Punctual Payment. The Successor Agency will punctually pay the principal of, premium, if any, and the interest to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of the Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

Section 6.02 Against Encumbrances. The Successor Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues, except as provided in the Indenture, and will not issue any obligation or security superior to or on a parity with then Outstanding Bonds payable in whole or in part from the Tax Revenues (other than Additional Bonds in accordance with Section 4.01).

Section 6.03 Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of the Indenture, except subject to the prior payment in full of the principal of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 6.04 Payment of Claims. Subject to the terms of the Dissolution Act, the Successor Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Successor Agency to make any such payments so long as the Successor Agency in good faith shall contest the validity of any such claims.

Section 6.05 Books and Accounts; Financial Statements. The Successor Agency and the Trustee shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all funds and accounts by or maintained pursuant to this Indenture, which shall at all times during normal business hours and upon reasonable notice be subject to inspection by the 2023 Bond Insurer or its agents or representatives who have been duly authorized in writing. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the Owners of not less than ten per cent

(10%) of the aggregate principal amount of Bonds Outstanding or their representatives authorized in writing.

Section 6.06 Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Successor Agency, such Bonds shall be incontestable by the Successor Agency.

Section 6.07 Payment of Taxes and Other Charges. The Successor Agency will pay and discharge all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or any properties owned by the Successor Agency in the Project Area, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the Successor Agency to make any such payments so long as the Successor Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

Section 6.08 Amendment of Redevelopment Plan. The Successor Agency will not amend the Redevelopment Plan except as provided in this section and as permitted by the Law. If the Successor Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Successor Agency may undertake such amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed amendment, the Successor Agency may not undertake such proposed amendment. Notwithstanding the foregoing, the Successor Agency must obtain the Bond Insurer's prior written consent for any amendment of the Redevelopment Plan which would (i) reduce the amount of Tax Revenues that may be received by the Successor Agency or (ii) reduce the period during which the Successor Agency may collect Tax Revenues.

Section 6.09 Tax Revenues. The Successor Agency shall comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The Successor Agency shall manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plan in the amounts and at the times required to enable the Successor Agency to pay the principal of, premium, if any and interest on the Series 2023 Bonds and any Parity Debt when due.

Section 6.10 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Section 6.11 Tax Covenants; Rebate Fund.

(a) The Successor Agency covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Successor Agency shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) The Successor Agency agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Tax-Exempt Bonds from time to time.

(c) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Notwithstanding any other provision of the Indenture to the contrary, all amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 6.11 and by the Tax Certificate (which is incorporated herein by reference). The Successor Agency shall cause to be deposited in the Rebate Fund the Rebate Requirement as provided in the Tax Certificate. Subject to the provisions of this Section 6.11, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the federal government of the United States of America from time to time in accordance with the Tax Certificate. The Successor Agency and the Owners shall have no rights in or claim to such money.

(d) Upon the Written Request of the Successor Agency, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, subject to the restrictions set forth in the Tax Certificate.

(e) Upon receipt of the Rebate Instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee shall remit for payment part or all of the balances held in the Rebate Fund to the federal government of the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee shall deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as the Rebate Instructions direct. Any funds remaining in the Rebate Fund after redemption and payment of all of the Tax-Exempt Bonds and payment of any required rebate amount, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Successor Agency.

(f) The Trustee shall have no obligation to pay any amounts required to be remitted pursuant to this Section 6.11, other than from moneys held in the funds and accounts created under the Indenture or from other moneys provided to it by the Successor Agency.

(g) The Trustee shall conclusively be deemed to have complied with the provisions of this Section 6.11 if it follows the directions of the Successor Agency set forth in the Rebate Instructions, and shall not be required to take any actions thereunder in the absence of Rebate Instructions from the Successor Agency.

(h) Notwithstanding any other provision of the Indenture, the obligation of the Successor Agency to remit or cause to be remitted any required rebate amount to the United States government and to comply with all other requirements of this Section 6.11 and the Tax Certificate shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

(i) Notwithstanding any provision of this Section 6.11 to the contrary, if the Successor Agency shall provide to the Trustee an opinion of counsel of recognized standing in the field of law relating to municipal bonds (and approved in writing by the Successor Agency) to the effect that any action required under this Section 6.11 is no longer required, or that some further or different action is required, to maintain the exclusion from federal gross income of the interest on the Tax-Exempt Bonds pursuant to the Code, the Trustee and the Successor Agency may conclusively rely on such opinion in complying with the provisions of this Section 6.11, and the provisions hereof shall be deemed to be modified to that extent.

Section 6.12 Compliance with the Dissolution Act. The Successor Agency covenants that in addition to complying with the requirements of Section 5.01 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor

Agency covenants and agrees to file all required statements and seek all necessary successor agency or an oversight board approval required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. Further, the Successor Agency shall take all actions required under the Dissolution Act to include scheduled debt service on the Series 2023 Bonds and any Parity Debt (including, without limitation, any mandatory redemption payments), as well as any amount required under this Indenture to replenish the Reserve Account and to reimburse the Bond Insurer, including the 2023 Bond Insurer in connection with the 2023 Bond Insurance Policy and the 2023 Reserve Policy, and any Compliance Costs, in the ROPS so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund, that amount of Tax Revenues required for the Successor Agency to pay principal of, and interest on, the Series 2023 Bonds and any Parity Debt coming due in the respective ROPS Period and to meet its other obligations, including all amounts due and payable to the 2023 Bond Insurer. These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, the amounts to be held by the Successor Agency as a reserve until the next ROPS Period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture for the next payment due in the following ROPS Period.

In the event the Successor Agency fails to provide a ROPS to the Oversight Board for approval, or fails to provide the DOF with an Oversight Board approved ROPS, by the statutory deadlines relating to the Series 2023 Bonds for any ROPS Period, the Successor Agency shall promptly upon request by the 2023 Bond Insurer make corrective or amended requests and/or provisions of such ROPS in order to achieve an Oversight Board and DOF approved ROPS covering such ROPS Period in accordance with this Indenture, and if the Successor Agency fails to promptly make corrective or amended requests and/or provisions of such ROPS, without providing sufficient explanation or reason for such inaction satisfactory to the 2023 Bond Insurer, the Successor Agency shall designate the 2023 Bond Insurer as its attorney in fact with the power to make such a request relating to the Series 2023 Bonds; provided, however, that the 2023 Bond Insurer will provide a copy of such request to the Successor Agency prior to such submission. The Successor Agency agrees to amend any ROPS filing for any period during which amounts owed to the Bond Insurer, including the 2023 Bond Insurer in connection with the 2023 Bond Insurance Policy and the 2023 Reserve Policy, are not included on such ROPS.

The Successor Agency shall provide the 2023 Bond Insurer with copies of all ROPS submitted and any and all correspondence received from the DOF upon receipt. Documents posted by DOF under their existing procedures on the DOF website shall meet this requirement. In the event that the Successor Agency is a party to a meet and confer with the DOF that relates to the payment of or security for the Series 2023 Bonds or 2023 Policy Costs, the Successor Agency shall notify the 2023 Bond Insurer and, if the subject of the meet and confer could impact the payment of or security for the Series 2023 Bonds or 2023 Policy Costs, the 2023 Bond Insurer shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as the 2023 Bond Insurer determines in its discretion. In the event the Successor Agency receives a ROPS denial, whether relating to the Series 2023 Bonds or not, and such denial could delay the receipt of Tax Revenues necessary to pay debt service on the Series 2023 Bonds, the Successor Agency agrees to cooperate in good faith with the 2023 Bond Insurer and the 2023 Bond Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the DOF and to discuss such matters with the DOF directly.

The Successor Agency will not, without the prior written consent of the 2023 Bond Insurer, approve or submit for approval by the Oversight Board or the DOF a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the California

Health and Safety Code, unless all amounts that could become due to the 2023 Bond Insurer are included as a line item on the Last and Final Recognized Obligation Payment Schedule.

Section 6.13 Negative Pledge. The Successor Agency may not create or allow to exist any liens on Tax Revenues senior to or on a parity with the Series 2023 Bonds except as provided in Article IV hereof.

Section 6.14 Adverse Change in State Law. If, due to an adverse change in State law resulting from legislation or the decision of a court of competent jurisdiction, the Successor Agency determines that it can no longer comply with Section 6.12, then the Successor Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Successor Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent jurisdiction to determine the duties of all parties to the Indenture, including the County Auditor-Controller and the Successor Agency, with regard to the performance of Section 6.12 by the Successor Agency. The Trustee may, but is in no event obligated to, participate in the process of seeking such declaratory judgment to protect its rights hereunder. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Successor Agency.

Section 6.15 Credits to Redevelopment Obligation Retirement Fund. The Successor Agency covenants and agrees to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds and any Parity Debt to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5(a) of the California Health and Safety Code.

Section 6.16 Compliance Costs. The Successor Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, from amounts on deposit in the Expense Account, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, costs of the Successor Agency and the Trustee payable from Tax Revenues and amounts provided under this Indenture.

Section 6.17 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement), the Bond Insurer or the Bondowners of at least 25% aggregate principal amount of Bonds Outstanding, shall to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this section and the Continuing Disclosure Agreement. For purposes of this section, “**Beneficial Owner**” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE VII

THE TRUSTEE

Section 7.01 Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Successor Agency agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree.

Section 7.02 Duties, Immunities and Liability of Trustee.

(a) The Trustee shall, prior to 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 the Indenture, and no implied duties or obligations shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his own affairs.

(b) Subject to Section 12.01, the Successor Agency may, in the absence of an Event of Default, and upon receipt of 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 upon receipt of a written request of the Bond Insurer, or upon receipt of a written request of any Bond Insurer following an Event of Default (irrespective of cause), or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving thirty (30) days prior written notice of such removal to the Trustee, and thereupon the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to (d) below, resign by giving at least sixty (60) days written notice of such resignation to the Successor Agency and the Bond Insurer and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing, and shall notify the Bond Insurer of such appointment.

(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 shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Successor Agency, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee and the Bond Insurer 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 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 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 the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for 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, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this section shall be a national banking association trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a national banking association, bank, trust company or bank holding company which is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such national banking association, bank, trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such national banking association, bank, trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign immediately in the manner and with the effect specified in this section.

(f) No provision in the Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee security or indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred.

(g) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Successor Agency of the funds under the Indenture.

(i) The Trustee shall not be responsible for the recording or filing of any document relating to the Indenture or of financing statements (or continuation statements in connection therewith). The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity, sufficiency or priority of any such document, collateral or security of the Bonds.

(j) 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 at the Trustee's Principal Corporate Trust Office. 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 documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(k) 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 under the Indenture.

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Indenture to the Successor Agency within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end of such period. Such accounting shall show in reasonable detail all transactions made by the Trustee under the Indenture during the accounting period and the balance in any Funds and accounts created under the Indenture as of the beginning and close of such accounting period.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The permissive rights of the Trustee to do things enumerated in the Indenture shall not be construed as a duty unless so specified herein.

(o) The Trustee may appoint and act through an agent and shall not be responsible for any misconduct or negligence of any such agent appointed with due care. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the acts or omissions of any such attorney, agent, or receiver selected by it with reasonable care.

(p) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means (“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

(r) To the fullest extent permitted by law and notwithstanding anything in this Indenture to the contrary, the Trustee shall not be personally liable for (i) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (ii) the acts or omissions of any nominee, correspondent, clearing agency, or securities depository through which it holds securities or assets.

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

Section 7.03 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 7.02, shall succeed to the rights and obligations of such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7.04 Compensation. The Successor Agency shall pay to the Trustee a reasonable compensation for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorney's and agent's fees and expenses, incurred by the Trustee in the performance of its obligations hereunder.

The Successor Agency agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense including legal fees and expenses incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed by the Indenture, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties hereunder (ii) the Bonds; (iii) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Successor Agency or under its authority in connection with the sale of the Bonds. The Successor Agency's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation, or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for sale of the Bonds are satisfied, or that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Bonds and other certificates expressly required to be delivered by it and its counsel.

Section 7.05 Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Indenture or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Bonds then Outstanding. 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 Bond Insurer or the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder. Whether or not therein expressly so provided, every provision of the Indenture or Related Documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

Section 7.06 Right to Rely on Documents. The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel 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 for any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith. Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of the Indenture in reliance upon such 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 seem reasonable.

The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of the Indenture, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

Section 7.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Successor Agency, the Bond Insurer and the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 7.08 Indemnity for Trustee. Before taking any action or exercising any rights or powers under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE VIII

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF THE BONDS

Section 8.01 Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by the Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the

execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds under the Indenture by any Owner and the serial numbers of such Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which to it may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond and any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE IX

AMENDMENT OF THE INDENTURE

Section 9.01 Amendment by Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture which shall become binding when the written consents of the Owners of sixty per cent (60%) in aggregate principal amount of Bonds Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 are filed with the Trustee, provided that no such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Successor Agency to pay the interest or principal of, and premium, 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 Owner of such Bond, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, without the express written consent of the Owner of such Bond, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

Any amendment, supplement, modification to, or waiver of, the terms of any Related Document that requires the consent of Bondowners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

This Indenture and the rights and obligations of the Successor Agency and of the Owners may also be amended at any time, upon the written consent the Bond Insurer (or prior written notice to the Bond Insurer in the case paragraph (c) below), by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, but only 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 the Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Successor Agency;

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

(c) To provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Article IV;

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

(e) To maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;

(f) To modify, amend or supplement the Indenture in such manner as to conform to changes in the Dissolution Act so long as there is no material adverse effect to holders of the Bonds; or

(g) To obtain a bond insurance policy or a rating on the Bonds.

Section 9.02 Disqualified Bonds. Bonds owned or held by or for the account of the Successor Agency or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this Article provided for, and shall not be entitled to consent to, or take any other action in this Article provided for. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Successor Agency may determine that the Bonds may bear a notation, by endorsement in form approved by the Successor Agency, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond. If the Successor Agency shall so determine, new Bonds so modified as, in the opinion of the Successor Agency, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

Section 9.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.05 Opinion of Counsel. The Trustee may request and conclusively accept an opinion of counsel to the Successor Agency that an amendment of the Indenture is in conformity with the provisions of this Article.

Section 9.06 Notice to Rating Agencies. The Successor Agency shall provide each rating agency rating the Bonds with a notice of any amendment to the Indenture pursuant to this Article and a copy of any Supplemental Indenture at least 15 days in advance of its execution.

Section 9.07 Transcript of Proceedings to Bond Insurer. The Successor Agency shall provide the Bond Insurer with a full transcript of the proceedings relating to the execution and delivery of any Supplemental Indenture.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 10.01 Events of Default and Acceleration of Maturities. If one or more of the following events (herein called “**Events of Default**”) shall happen, that is to say:

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

(b) If default shall be made in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(c) If default shall be made by the Successor Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after the Successor Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default hereunder if the Successor Agency shall commence to cure such default within said 30-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 60 days after such notice; and provided further that no grace period for such covenant default shall exceed 30 days or be extended for more than 60 days without the prior written consent of the Bond Insurer; or

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

then, and in each and every such case during the continuance of such Event of Default, with the written consent of the Bond Insurer, the Trustee may, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, shall, by notice in writing to the Successor Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. For all purposes under this Article X, the Bond Insurer is deemed to be an owner of one hundred percent (100%) of the Bonds insured by it unless such Bond Insurer is in default under the terms of its Bond Insurance Policy.

The maturity of Bonds insured by a Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of Bonds insured by a Bond Insurer is accelerated, the Bond

Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Successor Agency) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Bonds insured by a Bond Insurer shall be fully discharged.

If, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Outstanding Bonds and any Parity Debt matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of ten per cent (10%) per annum on such overdue installments of principal and interest, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Outstanding Bonds and any Parity Debt due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. No such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

An Event of Default shall continue to exist under subsections (a) and (b) of this Section 10.01 after payment is made by the Bond Insurer when due, pursuant to the terms of its Bond Insurance Policy.

Section 10.02 Application of Funds Upon Acceleration. All money in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the Trustee as provided in Section 10.01, all Tax Revenues thereafter received by the Successor Agency hereunder, shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, attorneys and counsel and any outstanding fees and expenses of the Trustee and then to the payment of the costs and expenses of the Owners in providing for the declaration of such Event of Default, including reasonable compensation to their agents, attorneys and counsel;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, (A) to the payment of the whole amount then owing and unpaid upon the Outstanding Bonds and any Parity Debt for principal of, and interest on the Outstanding Bonds and any Parity Debt, with interest on the overdue interest and principal at the rate of ten per cent (10%) per annum, and (B) in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Outstanding Bonds and any Parity Debt, then to the payment of such interest, principal, and interest on overdue interest and principal without preference or priority among such interest, principal, and interest on overdue interest and principal, ratably to the aggregate of such interest, principal, and interest on overdue interest and principal.

Section 10.03 Trustee to Represent Bondowners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and owning the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Law and applicable

provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners of the Bonds, the Trustee in its discretion may with the consent of the Bond Insurer, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Law or any other law. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Section 10.04 Bondowners' Direction of Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided, that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction.

Section 10.05 Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) 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 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owner of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 10.06 Non-Waiver. Nothing in this Article or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay the principal of, and the interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Tax Revenues pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

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

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

Section 10.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or 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.

ARTICLE XI

DEFEASANCE

Section 11.01 Discharge of Indebtedness. (a) If (i) the Successor Agency shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder shall have been paid, then the Owners shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Successor Agency hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Successor Agency all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this section, when any Bond shall have been paid and if, at the time of such payment, the Successor Agency shall have kept, performed and observed all of the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Successor Agency hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

(d) Only (1) cash, (2) non-callable direct obligations of the United States of America (“**Treasuries**”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the 2023 Bond Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the 2023 Bond Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P [and Moody’s] or any combination thereof, shall be used to effect defeasance of the Series 2023 Bonds unless the 2023 Bond Insurer otherwise approves.

(e) To accomplish defeasance of the Series 2023 Bonds, the Successor Agency shall cause to be delivered to the 2023 Bond Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the 2023 Bond Insurer (“**Accountant**”) verifying the sufficiency of the escrow established to pay the Series 2023 Bonds in full on the maturity or redemption date (“**Verification**”), (ii) an escrow deposit agreement or other written instructions to the Trustee (which shall be acceptable in form and substance to the 2023 Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2023 Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Series 2023 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency, the Trustee and the 2023 Bond Insurer. The 2023 Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

(f) Series 2023 Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

Section 11.02 Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 11.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 11.01 hereof if:

(i) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and

(ii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Successor Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (i) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

Neither the money nor the Federal Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal

Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (i) of subsection (a) of this section unless the Successor Agency shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (i) of subsection (a) of this section resulting in such deemed payment, which escrow agreement shall be acceptable to the Bond Insurer and provide that no substitution of Federal Securities shall be permitted except with other Federal Securities and upon delivery of a new Verification Report and no reinvestment of Federal Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an opinion of counsel of recognized standing in the field of law relating to municipal bonds, dated the date of such deemed payment and addressed to the Successor Agency, the Trustee and the Bond Insurer, insuring the Bonds to be defeased, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Indenture, and all agreements, covenants and other obligations of the Successor Agency hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

The Bond Insurer shall be provided with drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the escrow.

The Trustee is entitled to rely upon (i) an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this section have been satisfied, and (ii) such other opinions, certifications and computations, of accountants or other financial consultants concerning the matters described in paragraph (a)(i) of this section.

ARTICLE XII

BOND INSURANCE

Section 12.01 2023 Bond Insurance Policy Payment and Reimbursement Provisions.
[EXEMPLAR PROVISIONS PENDING REVIEW OF ANY BOND INSURER COMMITMENT] The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“**Payment Date**”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Series 2023 Bonds due on such Payment Date, the Trustee shall give notice to the 2023 Bond Insurer and to its designated agent (if any) (the “**2023 Bond Insurer’s Fiscal Agent**”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Series 2023 Bonds due on such Payment Date, the Trustee shall make a claim under the 2023 Bond Insurance Policy and give notice to the 2023 Bond Insurer and the 2023 Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2023 Bonds and the amount required to pay principal of the Insured Series 2023 Bonds, confirmed in writing to the 2023 Bond Insurer and the 2023 Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2023 Bond Insurance Policy.

(b) The Trustee shall designate any portion of payment of principal on Insured Series 2023 Bonds paid by the 2023 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2023 Bonds registered to the then current Owner of the Insured Series 2023 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2023 Bond to the 2023 Bond Insurer, registered in the name of [Bond Insurer], in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2023 Bond shall have no effect on the amount of principal or interest payable by the Successor Agency on any Insured Series 2023 Bond or the subrogation rights of the 2023 Bond Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the 2023 Bond Insurer into the 2023 Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Series 2023 Bond. The 2023 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the 2023 Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Series 2023 Bonds referred to herein as the “**2023 Policy Payments Account**” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2023 Bond Insurance Policy in trust on behalf of Owners of the Insured Series 2023 Bonds and shall deposit any such amount in the 2023 Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Insured Series 2023 Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Series 2023 Bonds under the sections of the Indenture regarding payment of Insured Series 2023 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Successor Agency agrees to pay to the 2023 Bond Insurer (i) a sum equal to the total of all amounts paid by the 2023 Bond Insurer allocable to unpaid debt service on the Insured Series 2023 Bonds under the 2023 Bond Insurance Policy (the “**Insurer Advances**”); and (ii) interest on such Insurer Advances from the date paid by the 2023 Bond Insurer until payment thereof in full, payable to the 2023 Bond Insurer at the Late Payment Rate per annum (collectively, the “**2023 Bond Insurer Reimbursement Amounts**”). “**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 (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus [3.00]%, and (ii) the then applicable highest rate of interest on the Insured Series 2023 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. The Successor Agency hereby covenants and agrees that the Series 2023 Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Tax Revenues and payable from such Tax Revenues on a parity with debt service due on the Series 2023 Bonds.

(e) The Successor Agency shall take all actions required by the Dissolution Act to ensure that all Insurer Reimbursement Amounts (including any amounts due the 2023 Bond Insurer pursuant to paragraph (h) below) are paid to the 2023 Bond Insurer when due, including the submission of Recognized Obligation Payment Schedules providing for Insurer Reimbursement Amounts and such other amounts.

(f) Funds held in the 2023 Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the

2023 Policy Payments Account following a Payment Date shall promptly be remitted to the 2023 Bond Insurer.

(g) The 2023 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2023 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2023 Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Successor Agency to the 2023 Bond Insurer under the Indenture shall survive discharge or termination of the Indenture.

(h) The Successor Agency shall pay or reimburse the 2023 Bond Insurer, solely from Tax Revenues, any and all charges, fees, costs and expenses that the 2023 Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture; (ii) the pursuit of any remedies under the Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or the transactions contemplated thereby, other than costs resulting from the failure of the 2023 Bond Insurer to honor its obligations under the 2023 Bond Insurance Policy. The 2023 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture.

(i) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Successor Agency or rebate only after the payment of past due and current debt service on the Series 2023 Bonds and amounts required to restore the Reserve Account to the Reserve Account Requirement applicable to the Series 2023 Bonds.

(j) The 2023 Bond Insurer shall be entitled to pay principal or interest on the Insured Series 2023 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the 2023 Bond Insurance Policy) and any amounts due on the Insured Series 2023 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the 2023 Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the 2023 Bond Insurance Policy) or a claim upon the 2023 Bond Insurance Policy.

(k) The rights granted to the 2023 Bond Insurer under the Indenture to request, consent to or direct any action are rights granted to the 2023 Bond Insurer in consideration of its issuance of the 2023 Bond Insurance Policy. Any exercise by the 2023 Bond Insurer of such rights is merely an exercise of the 2023 Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the 2023 Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the 2023 Bond Insurer.

(l) Amounts paid by the 2023 Bond Insurer under the 2023 Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Series 2023 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Successor Agency in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the 2023 Bond Insurer have been paid in full or duly provided for.

(m) The Successor Agency covenants and agrees to take such action as is necessary from time to time to preserve the priority of the pledge of the Tax Revenues under applicable law.

(n) So long as any Bonds insured by the 2023 Bond Insurer remain outstanding or any amounts are owed to the 2023 Bond Insurer by the Successor Agency, the Successor Agency shall not issue or incur indebtedness payable from or secured in whole or in part by the Tax Revenues that (i) bears interest at other than fixed rates or (ii) permits the holder to tender such indebtedness for purchase prior to the stated maturity thereof, in either case without the prior written consent of the 2023 Bond Insurer.

(o) So long as any Bonds insured by the 2023 Bond Insurer remain outstanding or any amounts are owed to the 2023 Bond Insurer by the Successor Agency, the 2023 Bond Insurer shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling or other agreement or instrument involving reciprocal payment obligations between the Successor Agency and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the 2023 Bond Insurer.

(p) The Successor Agency will permit the 2023 Bond Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the 2023 Bond Insurer may reasonably request regarding the security for the Series 2023 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the 2023 Bond Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

(q) The Trustee shall notify the 2023 Bond Insurer of any failure of the Successor Agency to provide notices, certificates and other information under the Indenture.

(r) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Account is fully funded at the Reserve Account Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the 2023 Bond Insurer.

(s) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Series 2023 Bonds or the rights of the Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2023 Bond Insurance Policy.

(t) The 2023 Bond Insurer shall be deemed to be the sole holder of the Insured Series 2023 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Series 2023 Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured Series 2023 Bond, the Trustee (solely with respect to the Insured Series 2023 Bonds) and each holder of an Insured Series 2023 Bond appoint the 2023 Bond Insurer as their agent and attorney-in-fact and agree that the 2023 Bond Insurer may at any time during the continuation of any proceeding by or against the Successor Agency under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “**Insolvency Proceeding**”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “**Claim**”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee (solely with respect to the Insured Series 2023 Bonds) and each holder of an Insured Series 2023 Bond delegate and assign to the 2023 Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each holder of an Insured Series 2023 Bond in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an

adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(u) No contract shall be entered into or any action taken by which the rights of the 2023 Bond Insurer or security for or sources of payment of the Series 2023 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2023 Bond Insurer.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Liability of Successor Agency Limited to Tax Revenues. The Successor Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds or for the performance of any covenants herein contained, other than the covenants contained in Section 6.11 hereof. The Successor Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

The Bonds are special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Successor Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, and the interest on the Bonds, to the extent set forth in the Indenture. The Bonds are not a debt of the City, the County, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the City Council members acting for the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Section 13.02 Parties Interested Herein. Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Bond Insurer and the Owners any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the Successor Agency or any City Council member or officer or employee of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer and the Owners.

Section 13.03 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or redemption premium, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid 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 Owners shall look only to the Successor Agency for the payment of such amounts; provided, that before being required to make any such payment to the Successor Agency, the Trustee shall, at the expense of the Successor Agency, give notice by first class mail to all Owners and to the Securities Depository and the MSRBR that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Successor Agency.

Section 13.04 Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 13.03 hereof, but without any liability for interest thereon.

Section 13.05 Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Successor Agency or any City Council member or officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Successor Agency, that are presently vested in the Successor Agency or such City Council member, officer or employee, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Successor Agency or any City Council member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 13.06 Execution of Documents by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise 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 or territory 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 Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.13.

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

Section 13.07 Waiver of Personal Liability. No City Council member or officer or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of, premium, if any, and the interest on the Bonds; but nothing herein contained shall relieve any City Council member or officer or employee of the Successor Agency from the performance of any official duty provided by law.

Section 13.08 Acquisition of Bonds by Successor Agency. All Bonds acquired by the Successor Agency, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 13.09 Destruction of Cancelled Bonds. Whenever in the Indenture provision is made for return to the Successor Agency of any Bonds which have been cancelled pursuant to the provisions of the Indenture, the Successor Agency may, by a Written Request of the Successor Agency, direct the Trustee to destroy such Bonds and furnish to the Successor Agency a certificate of such destruction.

Section 13.10 Content of Certificates and Reports. Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

Section 13.11 Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Successor Agency or the Trustee may be established and maintained in the accounting records of the Successor Agency or the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 13.12 Article and Section Headings and References. The headings or titles of the several Articles and sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding articles, sections or subdivisions of the Indenture; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof.

Section 13.13 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof provided in the Indenture to be performed on the part of the Successor Agency (or of the Trustee) should be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof, shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Successor Agency hereby declares that it would have entered into the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 13.14 Notices. All notices required to be given hereunder to the Successor Agency, the Trustee and the 2023 Bond Insurer, shall be sent to the following addresses:

Successor Agency: Successor Agency to the Redding Redevelopment Agency
777 Cypress Avenue, Third Floor
Redding, California 96001
Attention: Executive Director

Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

2023 Bond Insurer:

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel — Public Finance and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 13.15 Bond Insurer and 2023 Bond Insurer Notice Provisions. [EXEMPLAR PROVISIONS PENDING REVIEW OF ANY BOND INSURER COMMITMENT] The Bond Insurer and the 2023 Bond Insurer shall be provided with the following information by the Successor Agency or Trustee, as the case may be:

(i) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Agreement), provided, however, that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date, and such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Reserve Account Requirement and (ii) withdrawals in connection with a refunding of the Bonds insured by the Bond Insurer;

(iii) Notice of any default known to the Trustee or Successor Agency within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds insured by the Bond Insurer, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Successor Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “**Insolvency Proceeding**”);

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds insured by the Bond Insurer;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondowners under the terms of the Related Documents.

(x) In addition, to the extent that the Successor Agency has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds insured by the Bond Insurer, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(xi) The Trustee shall notify the 2023 Bond Insurer of any known failure of the Successor Agency to provide notices, certificates and other information under the Indenture.

(xii) The 2023 Bond Insurer shall have the right to receive such additional information as it may reasonably request.

Notwithstanding the foregoing, the Bond Insurer agrees to receive notice, and shall be deemed to have received notice in satisfaction of the provisions set forth in this Section, by filings made (or caused to be made) by the Successor Agency through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (including in accordance with Section 13.15(i)), currently located at <http://emma.msrb.org>. The Successor Agency will use good faith efforts to provide notice (by first class mail or facsimile or electronic mail) of such filings to the Bond Insurer.

The Successor Agency will permit the 2023 Bond Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the 2023 Bond Insurer may reasonably request regarding the security for the Series 2023 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the 2023 Bond Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

Section 13.16 2023 Bond Insurer as Third Party Beneficiary. The Bond Insurer is recognized as and shall be deemed to be a third party beneficiary of this Indenture and may enforce the provisions of this Indenture as if it were a party thereto.

Section 13.17 California Law. This Indenture of Trust shall be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Successor Agency and the Trustee have entered into this Indenture of Trust by their officers thereunto duly authorized as of the day and year first above written.

**CITY OF REDDING AS SUCCESSOR
AGENCY TO THE REDDING
REDEVELOPMENT AGENCY**

By: _____
Kim Szczurek, Administrative Services
Director of the City of Redding, acting for
the City of Redding as Successor Agency to
the Redding Redevelopment Agency

ATTEST:

By: _____
City Clerk, acting for the City of Redding as
Successor Agency to the Redding
Redevelopment Agency

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

By: _____
[Authorized Officer]

[Signature page to Indenture]

APPENDIX A
FORM OF BOND

No. _____ \$ _____

**[SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY
SHASTEC REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES 2023]**

BOND DATE: _____, 2023 **MATURITY DATE:** September 1, 20__
RATE OF INTEREST: _____ **CUSIP NUMBER:** _____

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF REDDING AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the “Successor Agency”), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above in lawful money of the United States of America; and to pay interest thereon at the interest rate per annum set forth above in like lawful money from the date hereof. The interest on this Bond will be payable on March 1 and September 1 in each year (each an “Interest Payment Date”), commencing on [March 1, 2024]. The principal hereof and redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank Trust Company, National Association (together with any successor as trustee under the Indenture hereinafter mentioned, the “Trustee”). Interest hereon is payable by check, mailed by first class mail, on each interest payment date to the owner whose name appears on the Bond Register maintained by the Trustee as of the close of business on the fifteenth day of the month preceding the month in which the interest payment date occurs (the “Record Date”), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of an owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such owner to the Trustee received not later than the Record Date, such interest shall be paid on the interest payment date in immediately available funds by wire transfer to an account within the United States. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is a duly authorized issue of [Successor Agency to the Redding Redevelopment Agency SHASTEC Redevelopment Project Tax Allocation Refunding Bonds, Series 2023], in the aggregate principal amount of \$_____ (the “Bonds”) all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as amended including, without limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the “Law”), and pursuant to the provisions of the Indenture of Trust, dated as of _____ 1, 2023, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the “Indenture”).

All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any resolutions supplemental thereto and to the

Law for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owners of the Bonds; and all the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the Successor Agency and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by his acceptance hereof, consents and agrees. Each registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to aid in refunding outstanding bonds of the Successor Agency as more particularly described in the Indenture. The Bonds are special obligations of the Successor Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from the Tax Revenues (as that term is defined in the Indenture and herein called the "Tax Revenues"), and the Successor Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, premium, if any, and the interest on the Bonds.

The Successor Agency hereby covenants and warrants that, for the payment of the principal of, premium, if any, and the interest on this Bond and all other Bonds issued under the Indenture when due, there has been created and will be maintained by the Trustee a special fund into which Tax Revenues shall be deposited, as provided in the Indenture, and as an irrevocable charge the Successor Agency has allocated the Tax Revenues solely to the payment of the principal of, premium, if any, and the interest on the Bonds to the extent set forth in the Indenture, and the Successor Agency will pay promptly when due the principal of, premium, if any, and the interest on this Bond and all other Bonds of this issue out of said special fund, all in accordance with the terms and provisions set forth in the Indenture.

The Bond shall be subject to redemption on the dates, in the amounts and in the manner provided therefor in the Indenture.

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; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding.

The Bonds are issuable only in the form of fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof (not exceeding the principal amount of Bonds maturing at any one time). The owner of any Bond or Bonds may surrender the same at the above-mentioned office of the Trustee in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Successor Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the

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

This Bond is not a debt of the City of Redding, Shasta County, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in the Indenture. This Bond does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the City Council members acting for the Successor Agency nor any persons executing the Bonds are liable personally on this Bond by reason of its issuance.

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Redding as Successor Agency to the Redding Redevelopment Agency has caused this Bond to be executed in its name and on its behalf by its Mayor, acting for the City of Redding as Successor Agency to the Redding Redevelopment Agency and attested by its City Clerk, acting for the City of Redding as Successor Agency to the Redding Redevelopment Agency, and has caused this Bond to be dated as of the date above written.

**CITY OF REDDING AS SUCCESSOR
AGENCY TO THE REDDING
REDEVELOPMENT AGENCY**

By _____
Mayor of the City of Redding,
acting for the City of Redding as Successor
Agency to the Redding Redevelopment
Agency

ATTEST:

City Clerk, acting for the City of Redding as
Successor Agency to the Redding
Redevelopment Agency

STATEMENT OF INSURANCE

[Bond Insurer] (“[BOND INS]”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on the Bonds maturing on September 1, 20__ through 20__, inclusive (the “Insured Bonds”), to U.S. Bank Trust Company, National Association, Los Angeles, California, or its successor, as trustee for the Insured Bonds (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from [BOND INS] or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [BOND INS] as more fully set forth in the Policy.

**[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION
AND REGISTRATION TO APPEAR ON BONDS]**

This is one of the Bonds described in the within- mentioned Indenture which has been authenticated and registered on the date set forth below.

DATED: _____

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as trustee**

By: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

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

Date: _____

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

Signature Guaranteed:

Notice: Signature must be guaranteed by an eligible guarantor institution.

APPENDIX B

**SCHEDULE OF ANNUAL INTEREST AND
PRINCIPAL PAYMENTS OF THE SERIES 2023 BONDS**

SERIES 2023 BONDS

Annual Interest and Principal Payments:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
9/1/2024			
9/1/2025			
9/1/2026			
9/1/2027			
9/1/2028			
9/1/2029			
9/1/2030			
9/1/2031			
9/1/2032			
9/1/2033			
9/1/2034			
9/1/2035			
9/1/2036			

Semi-Annual Interest and Principal Payments (for informational purposes):

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
3/1/2024				
9/1/2024				
3/1/2025				
9/1/2025				
3/1/2026				
9/1/2026				
3/1/2027				
9/1/2027				
3/1/2028				
9/1/2028				
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3/1/2033				
9/1/2033				
3/1/2034				
9/1/2034				
3/1/2035				
9/1/2035				
3/1/2036				
9/1/2036				

EXHIBIT F

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “**Instructions**”), dated _____, 2023, are given by the SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “**Successor Agency**”), as successor agency of the former REDDING REDEVELOPMENT AGENCY (the “**Former RRA**”), to U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as trustee (the “**Trustee**”) for the hereinafter defined Series 2006 Bonds;

WITNESSETH:

WHEREAS, the Former RRA has previously issued its Redding Redevelopment Agency, SHASTECC Redevelopment Project Tax Allocation Bonds, Series 2006 (the “**Series 2006 Bonds**”) to pay the cost of the acquisition, construction, improvement and/or renovation of various facilities, improvements and betterments within or serving the Project Area in accordance with the Redevelopment Plan (each as defined in the Indenture by and between the Successor Agency and the Trustee, dated as of July 1, 2006 (as amended through the date hereof, the “**Indenture**”), including reimbursements of any sums advanced by the Former RRA for such purposes and to pay interest on the Series 2006 Bonds in such amounts and on such dates as determined by the Former RRA;

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, *et.seq.*) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former RRA was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (“**AB 26**”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former RRA, including, without limitation, the obligations of the Former RRA under the Indenture and related documents to which the Former RRA was a party;

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, all of the Series 2006 Bonds;

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing its Successor Agency to the Redding Redevelopment Agency SHASTECC Redevelopment Project Tax Allocation Refunding Bonds, Series 2023 (the “**Series 2023 Bonds**”) and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem all of the outstanding Series 2006 Bonds;

WHEREAS, the Series 2023 Bonds are being issued pursuant to an Indenture of Trust dated as of _____ 1, 2023 (the “**2023 Indenture**”), between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the “**2023 Trustee**”); and

WHEREAS, the Successor Agency wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the outstanding Series 2006 Bonds;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Trustee as follows:

Section 1. Establishment of the Series 2006 Bonds Escrow Fund. The Trustee shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the “Series 2006 Bonds Escrow Fund” (the “**Escrow Fund**”). All amounts on deposit in the Escrow Fund

are hereby irrevocably pledged as a special trust fund for the payment of regularly scheduled debt service on the Series 2006 Bonds on [Redemption Date], 2023 and the redemption of the Series 2006 Bonds identified on Schedule A hereto (the “**Refunded Series 2006 Bonds**”) on [Redemption Date], 2023. Neither the Trustee, the 2023 Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Escrow Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Series 2006 Bonds Escrow Fund; Investment of Amounts.

Concurrently with delivery of the Series 2023 Bonds, the Successor Agency shall cause to be deposited in the Escrow Fund (i) the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the Series 2023 Bonds, plus (ii) the amount of \$_____ on deposit under the Indenture and relating to the Refunded Series 2006 Bonds (all as set forth on Schedule B attached hereto and made a part hereof), which the Trustee is hereby instructed to so transfer, for a total deposit into the Escrow Fund of \$_____.

The Trustee will, on _____, 2023, use \$_____ of such amount to purchase certain securities and investments for the Escrow Fund, all as listed on Schedule C attached hereto and made a part hereof (which securities the Successor Agency represents are non-callable Federal Securities, as defined in the Indenture maturing on the dates and in the amounts necessary to make the payments described in Section 3). The remaining \$_____ of such amounts shall be held uninvested, in cash.

The Successor Agency signifies that by making the deposit described herein, it is defeasing the Refunded Series 2006 Bonds pursuant to Section 9.01 of the Indenture.

The Trustee shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Successor Agency pursuant to these Instructions. 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.

Section 3. Proceedings for Redemption of Refunded Series 2006 Bonds.

(a) The Successor Agency hereby irrevocably elects, and directs the Trustee, to redeem, on [Redemption Date], 2023, from amounts on deposit in the Escrow Fund, the Refunded Series 2006 Bonds pursuant to the provisions of Section 12.04(A) of the Indenture. The Trustee acknowledges, that by accepting these instructions, it will give a timely notice of such redemption by not later than _____, 2023 [30 DAYS PRIOR] in the form attached hereto as Exhibit A in accordance with Section 4.05 of the Indenture in order to allow for the redemption of the Refunded Series 2006 Bonds on [Redemption Date], 2023.

(b) The Successor Agency hereby instructs the Trustee to file a notice of defeasance with respect to the outstanding Series 2006 Bonds no later than five Business Days after _____, 2023, in substantially the form set forth on Exhibit B, with the Municipal Securities Rulemaking Board’s EMMA System and the holders of the Series 2006 Bonds.

Section 4. Application of Funds. The Trustee shall apply the amounts on deposit in the Escrow Fund to pay the regularly scheduled debt service on the Refunded Series 2006 Bonds through and

including [Redemption Date], 2023 and to redeem the Refunded Series 2006 Bonds on [Redemption Date], 2023 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with Section 12.04(A) of the Indenture.

Section 5. Transfer of Remaining Funds. On _____, 2023, following the payment and redemption described above and payment of any amounts then owed to the Trustee, the Trustee shall withdraw any amounts remaining on deposit in the Escrow Fund and transfer such amounts to the 2023 Trustee for deposit into the Interest Account established under the 2023 Indenture to be used solely for the purpose of paying interest on the Series 2023 Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Trustee and the 2023 Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Series 2006 Bonds or the Series 2023 Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Indenture. All of the terms of the Indenture relating to the payment of principal of and interest and redemption premium, if any, on the Refunded Series 2006 Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument. The exchange of copies of these Instructions and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of these Instructions as to the parties hereto and may be used in lieu of the original Instructions and signature pages for all purposes.

Section 9. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of these Instructions may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent (i) that, by signing these Instructions using an electronic signature, it is signing, adopting and accepting these Instructions and (ii) that signing these Instructions using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on these Instructions on paper. Each party acknowledges that it is being provided with an electronic or paper copy of these Instructions in a usable format.

Section 10. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE REDDING
REDEVELOPMENT AGENCY**

By: _____
[Finance Director of the City of Redding]

ACCEPTED:

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

By: _____
Authorized Officer

SCHEDULE A

**Redding Redevelopment Agency
SHASTECH Redevelopment Project
Tax Allocation Bonds, Series 2006**

REFUNDED SERIES 2006 BONDS

Maturity Date (September 1)	Principal Amount	Interest Rate	CUSIP¹
2026	\$2,095,000	4.50%	757293CZ6
2029	1,855,000	5.00	757293DA0
2036	5,585,000	5.00	757293DB8
	<u>\$9,535,000</u>		

¹ CUSIP® is a registered trademark of the American Bankers Association. Copyright© 2023 Standard & Poor's, a Division of the McGraw Hill Companies, Inc. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither of the Successor Agency or the Trustee take any responsibility for the accuracy of such numbers.

SCHEDULE B

**FUNDS TRANSFERRED BY TRUSTEE
TO ESCROW FUND**

Fund	Amount
2006 Interest Account	
2006 Principal Account	
2006 Debt Service Reserve Account	
Total Funds Transferred	

SCHEDULE C

SERIES 2006 BONDS ESCROW FUND INVESTMENT

[Insert Exhibits ___ and ___ from Verification Report]

EXHIBIT A
[FORM OF NOTICE OF FULL REDEMPTION]



[CONDITIONAL] NOTICE OF OPTIONAL REDEMPTION

**Redding Redevelopment Agency
SHASTEC Redevelopment Project
Tax Allocation Bonds, Series 2006**

NOTICE IS HEREBY GIVEN pursuant to the terms of the Indenture of Trust, as supplemented by the First Supplemental Indenture, each dated as of July 1, 2006 (the “Indenture”), each by and between the Successor Agency to the Redding Redevelopment Agency (the “Successor Agency”) and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (the “Trustee”), that the bonds listed below (the “Bonds”) issued on August 16, 2006 have been selected for redemption on [Redemption Date], 2023 (the “Redemption Date”) at a redemption price (the “Redemption Price”) equal to 100.00% of the principal amount of such Bonds together with interest accrued to the Redemption Date.

<u>CUSIP*</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Redemption Price</u>
757293CZ6	September 1, 2026	\$2,095,000	4.50%	100.00
757293DA0	September 1, 2029	1,855,000	5.00	100.00
757293DB8	September 1, 2036	5,585,000	5.00	100.00

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On said Redemption Date there will become due and upon each Bond to be redeemed the Redemption Price thereof, in the specified portion of the principal amount above, together with interest accrued thereon to the Redemption Date, and that from and after such Redemption Date interest thereon shall cease to accrue in accordance with the Indenture. [Such redemption, however, is conditional upon the receipt by the Trustee, on or prior to the Redemption Date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys shall not have been so received this notice shall be of no force and effect and the Successor Agency shall not be required to redeem such Bonds.]

Payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

Delivery Instructions:
U.S. Bank
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

The method of presentation and delivery of a Bond is at the option and risk of the holder of each Bond. If mail is used, insured registered mail, return receipt requested is suggested.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

By: **U.S. Bank Trust Company, National Association**, as
Trustee

Dated: _____, 2023

EXHIBIT B

[FORM OF NOTICE OF DEFEASANCE]

NOTICE OF DEFEASANCE

**Redding Redevelopment Agency
SHASTEC Redevelopment Project
Tax Allocation Bonds, Series 2006**

Date of Issuance: August 16, 2006

CUSIP*	Maturity Date	Amount	Rate
757293CZ6	September 1, 2026	\$2,095,000	4.50%
757293DA0	September 1, 2029	1,855,000	5.00
757293DB8	September 1, 2036	5,585,000	5.00

** The Undersigned shall not be held responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in this Notice of Defeasance. CUSIP numbers are included solely for the convenience of the Holders.*

NOTICE IS HEREBY GIVEN that all of the above-described bonds (the “Bonds”) have been defeased and discharged under and within the meaning of that certain Indenture of Trust, as supplemented by the First Supplemental Indenture, each dated as of July 1, 2006 (the “Indenture”), each by and between the Successor Agency to the Redding Redevelopment Agency, a public entity existing under the laws of the State of California, as successor agency of the former Redding Redevelopment Agency (the “Successor Agency”), and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (the “Trustee”). Funds for the payment of the Bonds have been deposited in trust with the Trustee, and the sufficiency of the funds for the purpose of paying the principal of and interest on the Bonds has been verified by an independent certified public accountant. As a consequence of the foregoing actions and in accordance with the Indenture, all liability of the Successor Agency in respect of such Bonds shall cease, terminate and be completely discharged, except that the Successor Agency shall remain liable for such payment but only from, and the Bondowners shall thereafter be entitled only to payment (without interest accrued thereon after such redemption date or maturity date, as applicable) out of, the money and Federal Securities deposited with the Trustee for their payment as described above.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on [Redemption Date], 2023.

**By: U.S. Bank Trust Company, National
Association, as Trustee**

Dated: _____, 2023

EXHIBIT G

MEMORANDUM

TO: Successor Agency to the Redding Redevelopment Agency

FROM: Urban Futures, Inc.
Doug Anderson, Director

DATE: May 1, 2023

RE: Independent Municipal Advisor's Report: Debt Service Savings Analysis for Successor Agency to the Redding Redevelopment Agency, SHASTECC Redevelopment Project Area, Tax Allocation Refunding Bonds, Series 2023 (the "2023 Bonds")

Background

The Successor Agency to the Redding Redevelopment Agency (the "Agency") is authorized under Section 34177.5 of the State Health and Safety Code to issue refunding tax allocation bonds for economic savings within the parameters set forth in Section 34177.5(a)(1) of the State Health and Safety Code (the "Savings Parameters"). In addition, Section 34177.5 of the State Health and Safety Code provides, in relevant part, that the Agency "...shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the Department of Finance at its request." (State Health & Safety Code Section 34177.5(h), effective 6/27/12) Urban Futures, Inc., has been retained by the Agency to serve as its independent municipal advisor to determine compliance with the Savings Parameters for purposes of the issuance by the Agency of its 2023 Bonds.

This report in draft form may be used in presentations to the Agency Board and Oversight Board but will be final only after verification of final debt service savings. The 2023 Bonds will be issued for the purpose of repaying and defeasing the Agency's 2006 Bonds (the "Prior Obligations").

Plan of Refunding

The financing goal is to maximize economic savings by reducing total debt service.

Based on market conditions as of April 28, 2023, Piper Sandler & Co. (the "Underwriter") has prepared refunding cash flows based on certain assumptions. The refunding of the Prior Obligations from proceeds of the 2023 Bonds and certain funds on hand will achieve a gross debt service savings of \$2,306,836 and Net PV savings of approximately \$951,190, as shown in Table 3. The estimates assume the contribution of \$947,250 of prior reserve funds into the refunding escrow. The savings generated from this refunding are anticipated to result in higher property tax distributions to the affected taxing entities in the future.

Refunding Results

Table 1 below shows the estimated sources and uses for the 2023 Bonds.

Table 1: Sources and Uses of Funds	
Sources:	
Par Amount	\$ 7,330,000
Bond Premium	1,033,148
2006 Bond Reserve and Accts.	1,670,388
Total Sources of Funds	<u>\$ 10,033,536</u>
 Uses:	
Refunding Escrow Deposits	
Cash Deposit	\$ 9,724,100
SLGS and Open Market purchases	--
	<u>\$ 9,724,100</u>
 Costs of Issuance	 <u>\$ 309,436</u>
Total Uses of Funds	<u>\$ 10,033,536</u>

Tables 2 and 3 below show estimated debt service savings and Net PV savings based on market conditions as of 4/28/2023.

Table 2 - Est. Debt Service Savings			
Bond Year (9/1)	Existing Payments	Est. New Payments	Savings
2023	723,138	723,138	-
2024	954,225	776,114	178,111
2025	956,275	777,750	178,525
2026	957,200	781,250	175,950
2027	957,000	778,500	178,500
2028	962,750	784,750	178,000
2029	961,750	784,500	177,250
2030	964,250	788,000	176,250
2031	965,000	790,000	175,000
2032	964,000	785,500	178,500
2033	966,250	789,750	176,500
2034	966,500	787,250	179,250
2035	964,750	788,250	176,500
2036	966,000	787,500	178,500
Totals	13,229,088	10,922,251	2,306,836

Table 3 - Net PV Savings Summary	
PV of Savings from cash flow	1,893,937
Less: Prior Funds on Hand	(947,250)
Plus: Refunding Funds on Hand	<u>4,503</u>
Net PV Savings	951,190

Proposed Refunding Complies with State Law

Based on the proposed structure of the 2023 Bonds and the projected debt service savings, Urban Futures, Inc. concludes that the 2023 Bonds comply with the Savings Parameters as described below.

A. Total debt service (principal and interest) on the refunding bonds is less than total debt service on the refunded bonds (sec. 34177.5(a)(1)(A)): Section 34177.5(a)(1)(A) requires that the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds

or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded. Table 2 shows projected total debt service savings from the refunding of the Prior Obligations of \$2,306,836, calculated as (i) total debt service on the Prior Obligations, minus (ii) total debt service on the 2023 Bonds. Net PV savings is projected to be \$951,190.

B. Refunding bonds principal shall be used only for refunding purposes, not for new-money (sec. 34177.5(a)(1)(B)): Section 34177.5(a)(1)(B) requires that the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. Table 1 is the projected sources and uses of funds for the 2023 Bonds, showing that all proceeds are used only for purposes associated with refunding the Prior Obligations and to pay related costs of issuance. No proceeds of the 2023 Bonds will be used for any other purposes, including new-money purposes.

C. Agency shall make diligent efforts to ensure lowest long-term cost financing is obtained, to structure refunding that does not provide for any bullets or spikes or variable rates, and shall hire an independent financial advisor (sec. 34177.5(h)): Section 34177.5(h) requires the Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained and that the financing not provide for any bullets or spikes or use variable rates. The Agency has retained Urban Futures, Inc., an independent financial advisor registered with the SEC and MSRB, to monitor the pricing of the 2023 Bonds.

In accordance with Section 34177.5(h), the proposed refunding structure does not provide for any bullet principal maturities, debt service spikes or variable rate debt.