



CITY OF ATASCADERO SUCCESSOR AGENCY AGENDA

HYBRID MEETING INFORMATION:

The Successor Agency meeting will be available via teleconference for those who wish to participate remotely. The Successor Agency meeting will also be held in the City Council Chambers and in-person attendance will be available at that location.

HOW TO OBSERVE THE MEETING REMOTELY:

To participate remotely using the Zoom platform please visit:

https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA

HOW TO SUBMIT PUBLIC COMMENT:

Public comment may be provided in-person or remotely. Call **(669) 900-6833** (Meeting ID: 889 2347 9018) to listen and provide public comment via phone or via the [Zoom](#) platform using the link above.

Note that the Zoom participation option is provided to the public as a courtesy in order to facilitate participation. The City does not, however, guarantee that meeting participation will be available via Zoom. If Zoom participation is not enabled, or turned off, the meeting will continue with public attendance in-person only.

Written public comments are accepted at cityclerk@atascadero.org. **Comments should identify the Agenda Item Number in the subject line of the email.** Such comments will be forwarded to the Successor Agency Board and made a part of the administrative record. **To ensure distribution to the Successor Agency Board before consideration of an item, please submit comments not later than 12:00 p.m. the day of the meeting.** All correspondence will be distributed to the Successor Agency Board, posted on the City's website, and be made part of the official public record of the meeting. **Please note, comments will not be read into the record.** Please be aware that communications sent to the Successor Agency are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under applicable law. Communications will not be edited for redactions and will be printed/posted as submitted.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

Successor Agency agendas and minutes may be viewed on the City's website:

www.atascadero.org/agendas

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the Successor Agency. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Successor Agency meetings that are made a part of the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Board on any matter not on this agenda and over which the Board has jurisdiction. Speakers are limited to three minutes. Please state your name and address for the record before making your presentation. The Board may take action to direct the staff to place a matter of business on a future agenda. Comments made during Community Forum will not be a subject of discussion. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Issuance of Refunding Bonds to Refund Certain Outstanding Obligations of the Former Atascadero Community Redevelopment Agency

- Fiscal Impact: The total estimated debt service savings that will be generated by refunding the Prior Obligations is approximately \$5.49 million. The City's General Fund share of the estimated total debt service savings is approximately \$1,012,000.
- Recommendation: Successor Agency Board adopt Draft Resolution, approving the issuance of refunding bonds to refund certain outstanding obligations of the former Atascadero Community Redevelopment Agency, approving the execution and delivery of an Indenture of Trust and Bond Purchase Agreement relating thereto, requesting approval by the Countywide Oversight Board for the County of San Luis Obispo of the issuance of the refunding bonds, requesting certain determinations by the Countywide Oversight Board, and providing for other matters properly relating thereto. [Administrative Services]

BOARD ANNOUNCEMENTS AND REPORTS: (On their own initiative, the Board Members may make a brief announcement or a brief report on their own activities. Board Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Board may take action on items listed on the Agenda.)

D. ADJOURN TO MEETING OF THE PUBLIC FINANCING AUTHORITY



**CITY OF ATASCADERO CITY COUNCIL IN
THE CAPACITY OF SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO FOR
REDEVELOPMENT AND HOUSING
PURPOSES**

DRAFT MINUTES

**Tuesday, January 9, 2024
(Immediately following the conclusion
of the City Council Regular Session)**

**City Hall Council Chambers, Fourth Floor
6500 Palma Avenue
Atascadero, California
(Enter from Lewis Avenue)**

REGULAR SESSION – CALL TO ORDER:

**Immediately following
the conclusion of the City
Council Regular Session**

Mayor Moreno called the meeting to order at 8:18 p.m.

ROLL CALL:

Present: Council Members Bourbeau, Newsom, Mayor Pro Tem Funk, and Mayor Moreno

Absent: Council Member Dariz

Others Present: None

Staff Present: City Manager James R. Lewis, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, Police Chief Daniel B. Suttles, Public Works Director Nick DeBar, City Attorney David M. Fleishman, Deputy City Manager/City Clerk Lara Christensen, and Deputy City Manager – IT Luke Knight

APPROVAL OF AGENDA:

MOTION BY: Bourbeau

SECOND BY: Funk

1. Approve this agenda.

AYES (4): Bourbeau, Funk, Newsom, and Moreno
ABSENT (1): Dariz

Passed 4-0

A. CONSENT CALENDAR:

1. Successor Agency Draft Minutes – January 10, 2023

- Recommendation: Council, in the capacity of the Successor Agency to the Community Redevelopment Agency of Atascadero, approve the Successor Agency Draft Action Minutes of January 10, 2023. [City Clerk]

MOTION BY: Bourbeau

SECOND BY: Funk

1. Approve the consent calendar.

AYES (4): Bourbeau, Funk, Newsom, and Moreno

ABSENT (1): Dariz

Passed 4-0

COMMUNITY FORUM:

The following citizens spoke during Community Forum: None.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Approval of Recognized Obligation Payment Schedule for Fiscal Year 2024-2025, July 1, 2024 - June 30, 2025, and Fiscal Year 2024-2025 Administrative Budget

- Fiscal Impact: None.
- Recommendation: Successor Agency Board adopt Draft Resolution, approving the Draft Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2024, through June 30, 2025 (ROPS 24-25) and the Fiscal Year 2024-2025 Administrative Budget. [Administrative Services]

Administrative Services Director Rangel gave the presentation and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION BY: Bourbeau

SECOND BY: Newsom

1. Adopt Draft Resolution, approving the Draft Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2024, through June 30, 2025 (ROPS

24-25), and the Fiscal Year 2024-2025 Administrative Budget. (SA Resolution 2024-001).

AYES (4): Bourbeau, Funk, Newsom, and Moreno
ABSENT (1): Dariz

Passed 4-0

BOARD ANNOUNCEMENTS AND REPORTS: None

D. ADJOURN TO MEETING OF THE PUBLIC FINANCING AUTHORITY

Mayor Moreno adjourned the meeting at 8:22 p.m. to the Public Financing Authority.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager/City Clerk

APPROVED:



ITEM NUMBER:
DATE:

SA C-1
01/23/24

Successor Agency to the Community Redevelopment Agency of Atascadero

Staff Report – Administrative Services Department

Issuance of Refunding Bonds to Refund Certain Outstanding Obligations of the Former Atascadero Community Redevelopment Agency

RECOMMENDATION:

Successor Agency Board adopt Draft Resolution, approving the issuance of refunding bonds to refund certain outstanding obligations of the former Atascadero Community Redevelopment Agency, approving the execution and delivery of an Indenture of Trust and Bond Purchase Agreement relating thereto, requesting approval by the Countywide Oversight Board for the County of San Luis Obispo of the issuance of the refunding bonds, requesting certain determinations by the Countywide Oversight Board, and providing for other matters properly relating thereto.

DISCUSSION:

The Atascadero Community Redevelopment Agency (the “Former Agency”) issued \$12,490,000 in Tax Allocation Bonds in November of 2004 (the “2004 Bonds”), of which \$7,070,000 remains outstanding, and the Atascadero Public Financing Authority issued \$16,010,000 in Lease Revenue Bonds, Series 2010A in September of 2010 (the “2010A Bonds”), of which \$13,530,000 is currently outstanding.

The Former Agency was obligated to reimburse the City for annual lease payments made on the 2010A Bonds, pursuant to a reimbursement agreement (the “Reimbursement Agreement”) between the Former Agency and the City.

Due to the dissolution of redevelopment agencies, the Successor Agency to the Community Redevelopment Agency of Atascadero (the “Successor Agency”) now has responsibility for annual debt service payments on the 2004 Bonds, as well as annual payments due pursuant to the Reimbursement Agreement (collectively, the “Prior Obligations”). Per AB 1484, the Successor Agency may refund existing bonds and obligations, with approval of the Oversight Board and the State Department of Finance (“DOF”), for the purpose of generating debt service savings.

Based on current market interest rates, the Successor Agency can generate total debt service savings of approximately \$5.49 million by refunding the outstanding Prior

Obligations from the proceeds of new refunding bonds (the “2024 Bonds”) without extending the term of such bonds.

Based on redevelopment dissolution laws, the estimated annual savings of approximately \$323,000 per year would be shared among the affected taxing entities (including the City’s General Fund) as residual revenues. The City’s General Fund residual share of the total estimated debt service savings is approximately \$1,012,000, or \$59,500 on an annual basis over the remaining term of the 2024 Bonds.

Pursuant to Health & Safety Code Section 34177.5(f), the San Luis Obispo Countywide Oversight Board (the “Oversight Board”) must approve the issuance by the Successor Agency of the 2024 Bonds. The State Department of Finance (“DOF”) will then review such Oversight Board action. DOF is allowed 60 days to review any actions of the Oversight Board to approve refunding bond issues. Assuming approval by the Oversight Board at its January 29, 2024, meeting, staff and the City’s finance team will work with DOF to obtain an expedited approval.

In addition to approving the issuance of the 2024 Bonds, the attached Resolution will approve the forms of the Indenture of Trust, the Bond Purchase Agreement, and the Escrow Agreement.

The Indenture of Trust contains the terms and conditions by which the Trustee (BNY Mellon) will hold funds and accounts, describes the repayment terms of the 2024 Bonds, and describes the revenues pledged to the repayment of the 2024 Bonds. The Bond Purchase Agreement describes the terms and conditions by which the Underwriter (Piper Sandler & Co.) will purchase the 2024 Bonds from the Successor Agency. The Escrow Agreement describes the terms and conditions by which the Trustee will redeem the outstanding Prior Obligations from the proceeds of the 2024 Bonds.

A Preliminary Official Statement (“POS”) will be prepared by the finance team and staff. The POS is the marketing document that will be presented to potential bond buyers. It is anticipated that the POS will be presented to the Successor Agency Board for approval at the first meeting in March 2024, after which the 2024 Bonds will be priced and sold.

FISCAL IMPACT:

The total estimated debt service savings that will be generated by refunding the Prior Obligations is approximately \$5.49 million. The City’s General Fund share of the estimated total debt service savings is approximately \$1,012,000.

Pursuant to the requirements contained in SB 450, estimated financial information relative to the issuance of the 2024 Bonds is shown in the table below:

Item	Estimate as of 1/2/2024
1. True Interest Cost of the 2024 Bonds	3.608%
2. Finance Charge of the Bonds	\$597,058
3. Net Bond Proceeds	\$18,431,007
4. Total Payment Amount	\$25,059,001

1. True interest cost of the bonds: This is the estimated interest rate for the 2024 Bonds, and includes certain finance charges.
2. Finance charge of the bonds: This is the total amount of fees and expenses for refinancing the Prior Obligations (a one-time charge). This amount will be paid from bond proceeds of the 2024 Bonds.
3. Net Bond Proceeds: This is the net amount that will be produced from the 2024 Bonds after all costs, which, when combined with funds from the Reserve Funds from the 2004 and 2010A Bonds, will provide the total amount needed to payoff the Prior Obligations.
4. Total Payment Amount: This is total principal and interest payments, plus an (est.) \$1,500 annual Trustee fee as long as the 2024 Bonds are outstanding.

The repayment of principal and interest on the 2024 Bonds will be secured solely by the pledged tax revenues, which are tax increment revenues from the former redevelopment project area, net of certain administrative payments. The 2024 Bonds will not be a debt of the City's General Fund. All costs associated with the issuance of the 2024 Bonds will be paid from bond proceeds.

ALTERNATIVES:

If the Draft Resolution is not approved, the Successor Agency will not issue the 2024 Bonds and will not realize the estimated debt service savings.

ATTACHMENT:

1. Draft Resolution
2. Independent Municipal Advisor's Report
3. Indenture of Trust (form of)
4. Bond Purchase Agreement (form of)
5. Escrow Agreement (form of)

DRAFT RESOLUTION

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO, CALIFORNIA, APPROVING THE ISSUANCE OF REFUNDING BONDS TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE FORMER ATASCADERO COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND BOND PURCHASE AGREEMENT RELATING THERETO, REQUESTING APPROVAL BY THE COUNTYWIDE OVERSIGHT BOARD FOR THE COUNTY OF SAN LUIS OBISPO OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE COUNTYWIDE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City Council of the City of Atascadero has elected to serve as the Successor Agency to the Community Redevelopment Agency of Atascadero (the “Successor Agency”), which has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) in the initial principal amount of \$12,490,000 (the “2004 Bonds”) for the purpose of providing funds to finance redevelopment activities within and for the benefit of the Atascadero Redevelopment Project;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency also previously entered into a Reimbursement Agreement, dated as of September 1, 2010 (the “2010 Agreement” and together with the 2004 Bonds, the “Prior Obligations”), which 2010 Agreement provided that the Former Agency would reimburse the City of Atascadero (the “City”) for lease payments made by the City to the Atascadero Public Financing Authority (“Authority”) that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A issued in the initial principal amount of \$16,010,000 (the “2010 Bonds”), which

were issued by the Authority to finance certain public facilities of substantial benefit to the Atascadero Redevelopment Project;

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Tax Allocation Refunding Bonds, Series 2024 (the “Refunding Bonds”), the Successor Agency caused its municipal advisor, Urban Futures, Inc. (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Obligations (the “Debt Service Savings Analysis”);

WHEREAS, pursuant to Section 34179, the Countywide Oversight Board for the County of San Luis Obispo (the “Oversight Board”) has been established;

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of the Indenture of Trust, between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”), a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and Piper Sandler & Co., as underwriter (the “Underwriter”), and an Escrow Agreement between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent, for the purpose of establishing an escrow to refund the Prior Obligations (the “Escrow Agreement”);

WHEREAS, the information required to be obtained and disclosed related to the Refunding Bonds pursuant to Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution;

WHEREAS, the Successor Agency further desires that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture;

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

NOW, THEREFORE, BE IT RESOLVED, by the Successor Agency to the Community Redevelopment Agency of Atascadero:

SECTION 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Obligations, all as evidenced

by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 2. Approval of Issuance of Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in an aggregate principal amount not to exceed the amount necessary to refund the Prior Obligations and pay issuance costs as permitted by the Law; provided, that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof. The Refunding Bonds may be issued as a single series, or in two or more separate series, each of which may be issued on a Federally taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

SECTION 3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor, the City Manager and the Director of Administrative Services of the City, on behalf of the Successor Agency (each, an “Authorized Officer”), is hereby authorized and directed to execute and deliver, and the City Clerk of the City, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Purchase Agreement. The Successor Agency hereby approves the Bond Purchase Agreement prescribing the provisions for purchase and sale of the Refunding Bonds to the Underwriter. Each Authorized Officer is hereby authorized and directed to execute and deliver, on behalf of the Successor Agency, the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, that the Savings Parameters shall be met and the Underwriter’s discount shall not exceed 0.8%. The Successor Agency hereby authorizes the delivery and performance of the Bond Purchase Agreement.

Notwithstanding the foregoing, if it is determined, upon consultation with the Municipal Advisor, that undertaking a private placement sale of the Refunding Bonds instead of a public offering will reduce the true interest costs with respect to the Refunding Bonds, such method of sale may be undertaken without any further action of the Successor Agency, the Oversight Board or the California Department of Finance, so long as the Savings Parameters are met.

SECTION 5. Approval of Escrow Agreement. The form of the Escrow Agreement on file with the Successor Agency is hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency,

to execute and deliver the Escrow Agreement, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreement.

SECTION 6. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180, to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1), this Resolution and the Indenture.

SECTION 7. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

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

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Obligations, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector or any other person or entity other than the Successor Agency.

(c) The Successor Agency shall be entitled to receive its full administrative cost allowance under 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 Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its administrative cost allowance.

SECTION 8. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j), with the San Luis Obispo County Administrative Officer, the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector and the California Department of Finance.

SECTION 9. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board or California Department of Finance; provided, that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 10. Municipal Bond Insurance and Reserve Fund Insurance Policy. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve fund insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor, that such municipal bond insurance policy and/or debt service reserve fund insurance policy will reduce the true interest costs with respect to the Refunding Bonds.

SECTION 11. Preparation of Official Statement. Following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency intends, with the assistance of its disclosure counsel, fiscal consultant and the Municipal Advisor, to cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency at a future public meeting for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds.

SECTION 12. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds, including entering into agreements with Urban Futures, Inc., as Municipal Advisor, and Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

ITEM NUMBER: SA C-1
DATE: 01/23/24
ATTACHMENT: 1

SECTION 13. Effective Date. This Resolution shall take effect immediately upon approval.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO:

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk



MEMORANDUM

TO: Successor Agency to the Community Redevelopment Agency of Atascadero

FROM: Urban Futures, Inc.
Doug Anderson, Director

DATE: January 9, 2024

RE: **Independent Municipal Advisor’s Report: Debt Service Savings Analysis for Successor Agency to the Community Redevelopment Agency of Atascadero, Tax Allocation Refunding Bonds, Series 2024 (the “2024 Bonds”)**

Background

The Successor Agency to the Community Redevelopment Agency of Atascadero (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 2024 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 2024 Bonds will be issued for the purpose of prepaying and defeasing the Agency’s 2004 Tax Allocation Bonds and the Agency’s obligations under the Reimbursement Agreement between the City and the Agency relative to the Atascadero Public Financing Authority’s Lease Revenue Bonds, 2010 Series A (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 January 2, 2024, Piper Sandler & Co. (the “Underwriter”) has prepared refunding cash flows based on certain assumptions. The refunding of the Prior Obligations from proceeds of the 2024 Bonds and certain funds on hand will achieve a gross debt service savings of \$5,491,446 and Net PV savings of approximately \$2,032,726, as shown in Table 3. The estimates assume the contribution of \$ 2,257,091 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 2024 Bonds.

Table 1: (Est.) Sources and Uses of Funds	
Sources:	
Par Amount	\$ 16,770,000
Bond Premium	2,258,065
Prior Obligations Reserve Accts.	2,257,091
Total Sources of Funds	<u>\$ 21,285,156</u>
 Uses:	
Refunding Escrow Deposits	
Cash Deposit	\$ 1
SLGS and Open Market purchases	20,688,097
	<u>\$ 20,688,098</u>
 Costs of Issuance*	 <u>\$ 597,058</u>
Total Uses of Funds	<u>\$ 21,285,156</u>

*Estimate includes Underwriter’s Discount, Bond Insurance and Surety Reserve policies, and Finance Team fees and expenses.

Tables 2 and 3 below show estimated debt service savings and Net Present Value (“Net PV”) savings based on market conditions as of 1/2/2024.

Table 2 - Est. Debt Service Savings			
Bond Year (10/1)	Existing Payments	Est. New Payments	Savings
2024	1,315,559	990,763	324,796
2025	1,823,781	1,499,175	324,606
2026	1,825,588	1,505,175	320,413
2027	1,827,275	1,504,175	323,100
2028	1,826,744	1,501,425	325,319
2029	1,824,000	1,501,925	322,075
2030	1,828,250	1,505,425	322,825
2031	1,824,750	1,501,675	323,075
2032	1,823,750	1,500,925	322,825
2033	1,825,000	1,502,925	322,075
2034	1,828,250	1,507,425	320,825
2035	1,828,250	1,504,175	324,075
2036	1,825,000	1,503,425	321,575
2037	1,823,500	1,499,925	323,575
2038	1,823,500	1,498,675	324,825
2039	1,824,750	1,501,213	323,537
2040	1,827,000	1,505,075	321,925
Totals	30,524,947	25,033,501	5,491,446

Table 3 - Net PV Savings Summary	
PV of Savings from cash flow	4,283,433
Less: Prior Funds on Hand	(2,257,091)
Plus: Refunding Funds on Hand	6,384
Net PV Savings	2,032,726

Proposed Refunding Complies with State Law

Based on the proposed structure of the 2024 Bonds and the projected debt service savings, Urban Futures, Inc. concludes that the 2024 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 \$5,491,446, calculated as (i) total debt service on the Prior Obligations, minus (ii) total debt service on the 2024 Bonds. Net PV savings is projected to be \$2,032,726.

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 2024 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 2024 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 2024 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.

INDENTURE OF TRUST

Dated as of April 1, 2024

by and between the

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO**

and

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

Relating to

**\$ _____
Successor Agency to the Community Redevelopment Agency of Atascadero
Tax Allocation Refunding Bonds, Series 2024**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DETERMINATIONS; DEFINITIONS	
Section 1.01. Findings and Determinations.....	3
Section 1.02. Definitions	3
Section 1.03. Rules of Construction.....	12
ARTICLE II	
AUTHORIZATION AND TERMS	
Section 2.01. Authorization of Bonds.....	13
Section 2.02. Terms of Bonds.....	13
Section 2.03. Redemption of Bonds.....	14
Section 2.04. Form of Bonds.....	16
Section 2.05. Execution of Bonds.....	16
Section 2.06. Transfer of Bonds.....	17
Section 2.07. Exchange of Bonds.....	17
Section 2.08. Registration of Bonds.....	18
Section 2.09. Temporary Bonds.....	18
Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.....	18
Section 2.11. Book-Entry System.....	18
ARTICLE III	
DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS	
Section 3.01. Issuance of Bonds.....	21
Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.....	21
Section 3.03. Bond Proceeds Fund; Costs of Issuance Account.....	21
Section 3.04. [Reserved].....	21
Section 3.05. [Reserved].....	21
Section 3.06. Issuance of Parity Debt.....	21
Section 3.07. Issuance of Subordinate Debt.....	22
ARTICLE IV	
SECURITY OF BONDS; FLOW OF FUNDS	
Section 4.01. Security of Bonds; Equal Security.....	23
Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.....	23
Section 4.03. Deposit of Amounts by Trustee.....	23
Section 4.04. Provisions Relating to Insurance Policy.....	27
Section 4.05. Provisions Relating to Reserve Policy.....	27
ARTICLE V	
OTHER COVENANTS OF THE SUCCESSOR AGENCY	
Section 5.01. Punctual Payment.....	28
Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.....	28
Section 5.03. Extension of Payment.....	28
Section 5.04. Payment of Claims.....	28
Section 5.05. Books and Accounts; Financial Statements.....	28
Section 5.06. Protection of Security and Rights of Owners.....	29
Section 5.07. Payments of Taxes and Other Charges.....	29
Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.....	29
Section 5.09. [Reserved].....	31
Section 5.10. Dissolution Act Invalid; Maintenance of Tax Revenues.....	31

Section 5.11. No Arbitrage.....31
Section 5.12. Private Activity Bond Limitation.....31
Section 5.13. Federal Guarantee Prohibition.....31
Section 5.14. Rebate Requirement.....31
Section 5.15. Maintenance of Tax-Exemption.....31
Section 5.16. Continuing Disclosure.....31
Section 5.17. Meet and Confer; Recognized Obligation Payment Schedule.....32
Section 5.18. Further Assurances.....32

ARTICLE VI
THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.....33
Section 6.02. Merger or Consolidation.....34
Section 6.03. Liability of Trustee.....34
Section 6.04. Right to Rely on Documents and Opinions.....36
Section 6.05. Preservation and Inspection of Documents.....37
Section 6.06. Compensation and Indemnification.....37
Section 6.07. Deposit and Investment of Moneys in Funds.....38
Section 6.08. Accounting Records and Financial Statements.....39
Section 6.09. Appointment of Co-Trustee or Agent.....39
Section 6.10. Other Transactions with Successor Agency.....40

ARTICLE VII
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With And Without Consent of Owners.....41
Section 7.02. Effect of Supplemental Indenture.....41
Section 7.03. Endorsement or Replacement of Bonds After Amendment.....42
Section 7.04. Amendment by Mutual Consent.....42
Section 7.05. Trustee's Reliance.....42

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities.....43
Section 8.02. Application of Funds Upon Acceleration.....44
Section 8.03. Power of Trustee to Control Proceedings.....44
Section 8.04. Limitation on Owner's Right to Sue.....45
Section 8.05. Non-Waiver.....45
Section 8.06. Actions by Trustee as Attorney-in-Fact.....46
Section 8.07. Remedies Not Exclusive.....46

ARTICLE IX
MISCELLANEOUS

Section 9.01. Benefits Limited to Parties.....47
Section 9.02. Successor is Deemed Included in All References to Predecessor.....47
Section 9.03. Defeasance of Bonds.....47
Section 9.04. Execution of Documents and Proof of Ownership by Owners.....48
Section 9.05. Disqualified Bonds.....48
Section 9.06. Waiver of Personal Liability.....48
Section 9.07. Destruction of Cancelled Bonds.....48
Section 9.08. Notices.....49
Section 9.09. Partial Invalidity.....49
Section 9.10. Unclaimed Moneys.....49
Section 9.11. Execution in Counterparts.....50
Section 9.12. Governing Law.....50

EXHIBIT A FORM OF BONDS
EXHIBIT B RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE
[EXHIBIT C PROVISIONS RELATING TO THE Insurance Policy]
[EXHIBIT D PROVISIONS RELATING TO THE Reserve Policy]

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of April 1, 2024, by and between the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO, a public entity duly created and existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

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

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) in the initial principal amount of \$12,490,000 (the "2004 Bonds") for the purpose of providing funds to finance redevelopment activities within and for the benefit of the Atascadero Redevelopment Project;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency also previously entered into a Reimbursement Agreement, dated as of September 1, 2010 (the "2010 Agreement" and together with the 2004 Bonds, the "Prior Obligations"), which 2010 Agreement provided that the Former Agency would reimburse the City of Atascadero (the "City") for lease payments made by the City to the Atascadero Public Financing Authority ("Authority") that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A issued in the initial principal amount of \$16,010,000 (the "2010 Bonds"), which were issued by the Authority to finance certain public facilities of substantial benefit to the Atascadero Redevelopment Project;

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

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former

Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency with respect to the Prior Obligations;

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024 (the "Bonds") to provide funds to defease and refund the Prior Obligations;

WHEREAS, the Bonds will be payable from Tax Revenues (as hereinafter defined) [and shall be insured by the Insurer (as defined herein)];

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

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

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

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

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

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Serial Bonds are retired as scheduled and that the Outstanding Term Bonds are redeemed from mandatory sinking account payments as scheduled (b) the principal amount of the Outstanding Serial Bonds and Parity Debt payable by their terms in such Bond Year, and (c) the principal amount of the Outstanding Term Bonds scheduled to be paid or redeemed from mandatory sinking account payments in such Fiscal Year.

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

“Bond Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Bond Year” means, any twelve-month period beginning on October 2 in any year and ending on the next succeeding October 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on October 1, 2024.

“Bonds” means the Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024.

“Business Day” means a day of the year on which banks in Los Angeles, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

“City” means the City of Atascadero, California, a municipal corporation and general law city duly organized and existing under the laws of the State.

“Closing Date” means the date on which the Bonds are delivered by the Trustee to the original purchaser thereof, being _____, 2024.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations

issued on the date of issuance of the Bonds, together with applicable, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

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

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

“Costs of Issuance Account” means the account by that name within the Bond Proceeds Fund established and held by the Trustee pursuant to Section 3.03.

“County” means the County of San Luis Obispo, a county duly organized and existing under the Constitution and laws of the State.

“County Auditor-Controller” means the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector.

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

“Defeasance Obligations” means (a) cash, (b) Federal Securities and (c) Permitted Investments listed under subsection (b) of the definition thereof excluding Permitted Investments listed under (b)(iv) and (b)(vi).

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

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

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

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

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

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

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

“Former Agency” means the former Community Redevelopment Agency of Atascadero, a public body corporate and politic duly organized under the Law and dissolved in accordance with the Dissolution Act.

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

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

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

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

- (a) is judged by the Successor Agency to have experience in matters relating to the collection of tax increment revenues or otherwise with respect to the financing of redevelopment projects;
- (b) is in fact independent and not under domination of the Successor Agency;
- (c) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

“Insurance Policy” means the Municipal Bond Insurance Policy No. _____, issued by the Insurer.

“Insurer” or “_____” means _____, its successors and assigns, as issuer of the Insurance Policy and the Reserve Policy.

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

“Interest Payment Date” means April 1 and October 1 in each year, commencing October 1, 2024, so long as any of the Bonds remain Outstanding hereunder.

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

“Maximum Annual Debt Service” means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, as certified in writing by the Successor Agency to the Trustee.

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

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Oversight Board for the County of San Luis Obispo, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

“Owner” or “Bondowner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any loans, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds as authorized by the provisions of Section 3.06.

“Parity Debt Instrument” means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(e).

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

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are

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

(c) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of the Federal National Mortgage Association (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); (iv) senior debt obligations of the Student Loan Marketing Association; (v) obligations (but only the interest component of stripped obligations) of the Resolution Funding Corporation; and (vi) consolidated system wide bonds and notes of the Farm Credit System;

(d) money market funds (including funds of the Trustee or its affiliates) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G", "AAAm", or "AAm", including funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(e) certificates of deposit secured at all times by collateral described in (a) or (b) above, which have a maturity of one year or less, which are issued by commercial banks, including affiliates of the Trustee, savings and loan associations or mutual savings banks, and such collateral must be held by a third party, and the Trustee on behalf of the Bond Owners must have a perfected first security interest in such collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation;

(g) investment agreements, including guaranteed investment contracts, which, are general obligations of an entity whose long term debt obligations, or claims paying ability, respectively, which are rated in one of the two highest rating categories by S&P or which are collateralized so as to be rated in one of the two highest rating categories by S&P;

(h) commercial paper rated, at the time of purchase, "A-1" or better by S&P;

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

(j) money-market deposits, federal funds or bankers acceptances with a maximum term of one year of any bank, including the Trustee and its affiliates, which has an unsecured, uninsured and unguaranteed obligation rating of "A-1" or "A" or better by S&P;

(k) repurchase agreements for thirty (30) days or less (more than thirty (30) days which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, which satisfy the following criteria:

(i) repurchase agreements must be between the Trustee and (A) a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the Securities Investors Protection Corporation and which are rated "A" or better by S&P, or (B) a bank rated "A" or better by S&P;

(ii) the written repurchase agreement contract must include the following: (A) securities acceptable for transfer, which may be direct U.S. government obligations, or federal agency obligations backed by the full faith and credit of the U.S. government; (B) the term of the repurchase agreement may be up to 30 days; (C) the collateral must be delivered to the Trustee or a third party acting as agent for the Trustee simultaneous with payment (perfection by possession of certificated securities); (D) the Trustee must have a perfected first priority security interest in the collateral; (E) the collateral must be free and clear of third-party liens and, in the case of a broker which falls under the jurisdiction of the Securities Investors Protection Corporation, are not subject to a repurchase agreement or a reverse repurchase agreement; (F) failure to maintain the requisite collateral percentage, after a two day restoration period, will require the Trustee to liquidate the collateral; (G) the securities must be valued weekly, marked-to-market at current market price plus accrued interest and the value of collateral must be equal to 104% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus accrued interest (unless the securities used as collateral are obligations of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, in which case the collateral must be equal to 105% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus accrued interest). If the value of securities held as collateral falls below 104% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred; and

(iii) a legal opinion must be delivered to the Trustee to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds;

(l) pre-refunded municipal bonds rated "AAA" by S&P; and

(m) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to deposit and withdraw from such investment directly in its own name.

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

“Principal Corporate Trust Office” means 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. Except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California, or such other office or agency of the Trustee at which at any particular time, its corporate trust agency shall be conducted.

“Prior Obligations” means, collectively, the 2004 Bonds and the 2010 Agreement.

“Prior Obligations Escrow Agreement” means the Escrow Agreement, dated as of April 1, 2024, by and among the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent, related to the Prior Obligations.

“Project Area” means the City of Atascadero Redevelopment Project as described in the Redevelopment Plan.

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

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to Section 34177(l) of the Health and Safety Code of the State.

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

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

“Redevelopment Obligation Retirement Fund” means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

“Redevelopment Plan” means the redevelopment plan for the Atascadero Redevelopment Project of the Former Agency in the City of Atascadero, California, titled “Redevelopment Plan for the City of Atascadero Redevelopment Project” adopted and approved as the redevelopment plan for said redevelopment project by Ordinance No. 362, enacted by the City Council of the City on

July 13, 1999, as amended by Ordinance No. 415, enacted by the City Council of the City on April 22, 2003.

“Redevelopment Property Tax Trust Fund” means the fund established for the Project Area pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the County Auditor-Controller.

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

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

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

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

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

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

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

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy No. _____, issued by the Insurer guaranteeing payments to be applied to the payment of principal and interest on the Bonds, in the amount of \$ _____.

“Reserve Requirement” means the lesser of: (a) 125% of the average Annual Debt Service with respect to the Bonds; (b) Maximum Annual Debt Service with respect to the Bonds; or (c) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium (as determined in accordance with the Code), 10% of the issue price of the Bonds); provided, that in no event shall the Successor Agency be obligated to deposit an amount in the Reserve Fund which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Fund is so limited, the Reserve Requirement shall be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Fund Credit Instrument meeting the requirements of Section 4.03(d) hereof.

In the event a Qualified Reserve Fund Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to the Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Fund or subaccount therein with respect to the Bonds), then, notwithstanding the foregoing definition, the Reserve Requirement will be

determined only at the time of the delivery of the Qualified Reserve Fund Credit Instrument and will not be subject to increase or decrease at a later date.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and its successors.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

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

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

“State” means the State of California.

“Subordinate Debt” means any loan, advances or indebtedness issued or incurred by the Successor Agency, which is either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds, (ii) the Successor Agency’s obligation to pay Reserve Policy Costs to the Insurer, and (iii) the Successor Agency’s obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service Reserve Fund for any Parity Debt.

“Successor Agency” means the Successor Agency to the Community Redevelopment Agency of Atascadero, a public entity duly organized and existing under the Law.

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

“Tax Revenues” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated, or are available to be allocated, to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund and transferred to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding amounts required to be paid to taxing entities pursuant to Sections 33607.5, 33607.7, and 33676 of the Law unless such payments are subordinated to payments on the Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act

“Term Bonds” means the Bonds maturing on October 1, 20___ and October 1, 20___.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“2004 Bonds” means the Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project), issued in the initial principal amount of \$12,490,000.

“2010 Agreement” means the Reimbursement Agreement, dated as of September 1, 2010, by and between the Former Agency and the City.

“2010 Bonds” means the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A, issued in the initial principal amount of \$16,010,000.

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the Mayor, City Manager or Director of Administrative Services of the City, on behalf of the Successor Agency, or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

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

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Bonds. The Bonds in the aggregate principal amount of \$ _____ are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the Bonds, issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the "Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024."

Section 2.02. Terms of Bonds. The Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof.

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

Maturity Date (October 1)	Principal Amount	Interest Rate
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Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender

thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

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

Section 2.03. Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before October 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least 45 days prior to the date fixed for such redemption (or such late date as is acceptable to the Trustee), and shall transfer to the Trustee for deposit in the Debt Service Fund all amounts required for such redemption at least 5 Business Days prior to the date fixed for such redemption.

(b) Mandatory Sinking Account Redemption of Bonds. The Bonds maturing on October 1, 20__ and on October 1, 20__ shall also be subject to redemption in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Successor Agency pursuant to Section 4.03(c), at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the succeeding paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of such Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future Sinking Account payments pursuant to this subsection (b) with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Bonds Maturing October 1, 20__

Sinking Account Redemption Date (October 1)	<u>Principal Amount To Be Redeemed</u>
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Bonds Maturing Octoberr 1, 20__

Sinking Account Redemption Date (October 1)	<u>Principal Amount To Be Redeemed</u>
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In lieu of redemption of the Bonds pursuant to the preceding paragraphs, amounts on deposit in the Sinking Account or the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee pursuant to Section 4.03 during the current Bond Year other than for deposit in the Sinking Account) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Bonds so purchased by the Successor Agency in any 12-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding October 1.

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

The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor

Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

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

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

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

(f) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

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

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

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

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

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

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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

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

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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

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

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Successor Agency and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry System.

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

ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

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

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

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee

on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof. In connection with any proposed transfer outside the book-entry only system, the Authority or the Depository shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS

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

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) On the Closing Date the proceeds of sale of the Bonds shall be paid to the Trustee in the amount of \$ _____ (being the aggregate principal amount of the Bonds, plus/less [net] original issue premium/discount of \$ _____, less an underwriter's discount of \$ _____), and less the premiums for the Insurance Policy and the Reserve Policy in the amounts of \$ _____ and \$ _____, respectively, which shall be paid by the original purchaser of the Bonds directly to the Insurer on the Closing Date) and shall be applied as follows:

(i) The Trustee shall deposit the amount of \$ _____ in the Costs of Issuance Account for the payment of Costs of Issuance with respect to the Bonds.

(ii) The Trustee shall transfer the amount of \$ _____, being the remainder of the proceeds of the Bonds, to The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Prior Obligations Escrow Agreement for the defeasance and refunding of the Prior Obligations (and the 2010 Bonds).

(b) [In addition, the Trustee shall credit the Reserve Policy to the Reserve Fund in satisfaction of the Reserve Requirement with respect to the Bonds.]

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund," which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account. The moneys in the Costs of Issuance Account shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said account. Each such Written Request shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six (6) months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund and used to pay debt service on the Bonds, and the Trustee shall thereafter close the Costs of Issuance Account.

Section 3.04. [Reserved]

Section 3.05. [Reserved]

Section 3.06. Issuance of Parity Debt. In addition to the Bonds, the Successor Agency may issue or incur additional Parity Debt to refund all or a portion of the Outstanding Bonds hereunder in such principal amount as shall be determined by the Successor Agency, subject to

the satisfaction of the of following conditions precedent: (a) such Parity Debt shall be issued for savings in accordance with the requirements of Section 34177.5(a) of the Dissolution Act (or any comparable provision of any successor statute); (b) the Parity Debt Instrument shall state whether there shall be a reserve fund established with respect to such Parity Debt, and shall also set forth the amount, if any, to be deposited in such reserve fund as well as the reserve requirement with respect to such Parity Debt; and (c) principal with respect to such Parity Debt shall be paid on October 1 in any year in which such principal is payable.

Section 3.07. Issuance of Subordinate Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund. Except as provided in Section 6.06, the Bonds and any Parity Debt issued pursuant to a Supplemental Indenture shall be equally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account and the Redemption Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Fund. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

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

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding.

The Successor Agency shall deposit all of the Tax Revenues received with respect to any Bond Year into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency. All Tax Revenues received by the Successor Agency on each Redevelopment Property Tax Trust Fund distribution date in excess of the amount required to be requested on the Recognized Obligation Payment Schedule pursuant to Section 5.08 for distribution to the Successor Agency on such Redevelopment Property Tax Trust Fund distribution date to pay debt service on the Bonds and any Parity Debt in any Bond Year, and except as may be provided to the contrary in this Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust.

Moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee within five (5) Business Days of the receipt thereof for deposit in the Debt Service Fund. So long as any Bonds or Parity Debt remain outstanding, the Trustee shall transfer amounts on deposit in the Debt Service Fund in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. On or before the fourth (4th) Business Day preceding each Interest Payment Date, the Trustee shall deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and any Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and any Parity Debt. 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 and any Parity Debt as it shall become due and payable.

(b) Principal Account. On or before the fourth (4th) Business Day preceding the date on which principal on the Bonds and any Parity Debt becomes due and payable at maturity, the Trustee shall deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds and any Parity Debt on such date. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

(c) Sinking Account. No later than the fourth (4th) Business Day preceding each April 1 or October 1, as applicable, on which any Outstanding Term Bonds are subject to mandatory redemption or otherwise for purchase pursuant to the provisions of a Supplemental Indenture, the Trustee shall deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on such April 1 or October 1, as applicable, pursuant to the provisions of any Supplemental Indenture. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it shall become due and payable upon redemption or purchase pursuant to the provisions of any Supplemental Indenture.

(d) Reserve Fund.

(i) *Establishment of Reserve Fund*. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Fund" for the benefit of the Bonds. The Reserve Requirement for the Bonds shall be determined on a combined basis and satisfied by the delivery of the Reserve Policy by the Insurer to the Trustee on the Closing Date. On the Closing Date, the Trustee shall credit the Reserve Policy to the Reserve Fund to satisfy the Reserve Requirement with respect to the Bonds as of such date. The Trustee shall draw on the Reserve Policy and shall transfer such amounts to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 to pay debt service on the Bonds. Notwithstanding anything herein to the contrary, the Successor

Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Fund with cash if, at any time that the Bonds are Outstanding, (i) any rating assigned to Insurer is downgraded, suspended or withdrawn, or (ii) amounts are not available for any reason under the Reserve Policy, other than in connection with the replenishment of a draw on the Reserve Policy.

The amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the Bonds. Amounts on deposit in the Reserve Fund shall not be available to pay debt service on any obligations other than the Bonds.

The Trustee shall comply with all documentation relating to the Reserve Policy as shall be required to maintain the Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (d).

The deposit of a Qualified Reserve Fund Credit Instrument other than the Reserve Policy into the Reserve Fund shall be subject to the prior written approval of the Insurer.

(ii) *Replenishment of Reserve Fund.* Except as provided below, in the event that the amount on deposit in the Reserve Fund or any subaccount therein at any time of calculation, which calculation shall be done semi-annually, becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Fund or any subaccount therein, as applicable.

Except as provided below, the amount on deposit in the Reserve Fund or any subaccount therein shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds and any Parity Debt in full. If there shall then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Fund or any subaccount therein, the Successor Agency shall be obligated to continue making transfers as Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Fund or any subaccount therein. No such transfer and deposit need be made to the Reserve Fund or any subaccount therein so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement and, to the extent necessary, the Successor Agency shall place any amounts required to replenish the Reserve Fund or any subaccount therein on the immediately following Recognized Obligation Payment Schedule (and any additional Recognized Obligation Payment Schedule in the future if necessary) and shall be required to be submitted by the Successor Agency pursuant to and in accordance with Section 5.08. In the event a Qualified Reserve Fund Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Fund), then, notwithstanding the foregoing, the Reserve Requirement will, with respect to those series of Bonds, be determined only at the time of the delivery of the Qualified Reserve Fund Credit Instrument and will not be subject to increase or decrease at a later date.

(iii) *Use of Moneys in the Reserve Fund.* All money in the Reserve Fund and any subaccount therein shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and hereunder to the Interest Account, the Principal Account and the Sinking Account, in that order, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Fund or any subaccount therein in excess of the Reserve Requirement shall be withdrawn from the Reserve Fund or any subaccount therein semiannually on or before 2 Business Days preceding each June 1 and December 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. All moneys on deposit in the Reserve Fund or any subaccount therein on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Fund or any subaccount therein and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

(iv) *Right to Release Funds from Reserve Fund.* The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Fund or any subaccount therein, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Fund Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Fund Credit Instrument will cause interest on the Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Fund or any subaccount therein (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Fund or any subaccount therein, as applicable, to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Fund Credit Instrument as shall be required to maintain such Qualified Reserve Fund Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d).

(v) *Compliance with Qualified Reserve Fund Credit Instrument.* Simultaneously with the expiration of any Qualified Reserve Fund Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Fund Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Fund Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections

4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be pro-rata with respect to each such instrument.

(vi) *Reserve Subaccounts.* The Reserve Fund may be maintained in the form of one or more separate subaccounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Fund and on deposit in any Reserve Fund relating to any (but not necessarily all) Parity Debt in order to maintain a combined Reserve Fund for the Bonds and any (but not necessarily all) Parity Debt.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), other than mandatory Sinking Account redemption of Term Bonds, the Trustee shall withdraw from the Debt Service Fund any amount transferred by the Successor Agency pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date pursuant to Section 2.03(a). All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to Section 2.03(a) on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds. Interest due on Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account.

Section 4.04. Provisions Relating to Insurance Policy. So long as the Insurance Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the Insurer and the Insurance Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

Section 4.05. Provisions Relating to Reserve Policy. So long as the Reserve Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit D relating to the Insurer and the Reserve Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

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

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues, excepting only as provided in this Section 5.02.

The Successor Agency hereby covenant that it will not otherwise encumber, pledge or place any charge or lien upon any of the Tax Revenues or other amounts pledged to the Bonds superior or on parity to the pledge and lien herein created for the benefit of the Bonds, other than Parity Debt issued in accordance with Section 3.06 hereof.

Nothing herein shall prevent the Successor Agency from issuing and selling Subordinate Debt. Any Subordinate Debt that is issued as bonds or incurred in the form of a loan shall be payable on the same dates as the Bonds.

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

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

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency, which shall be subject to inspection by the Insurer at all times during normal business hours and upon reasonable notice by the Insurer to the Successor Agency. Within 270 days after the close of

each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits. The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the Insurer may reasonably request. The books and records of the Successor Agency shall at all times during normal business hours and upon reasonable notice be subject to inspection by the Insurer and any other issuer of a Qualified Reserve Fund Credit Instrument hereunder or their respective agents or representatives who have been duly authorized in writing.

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

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

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) *General.* The Successor Agency shall comply with all of the requirements of the Law. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

Further, it will take all actions required under the Dissolution Act to include:

(i) 100% of the amount of principal and interest on the Bonds and Parity Debt (if any) coming due within the Recognized Obligation Payment Schedule period ; and

(ii) amounts due to the Insurer or any other issuer of a Qualified Reserve Fund Credit Instrument hereunder or under an insurance or surety bond agreement or otherwise required to replenish any reserve account established under this Indenture,

in each annual Recognized Obligation Payment Schedule 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 on each January 2 and June 1 amounts required for the Successor Agency to pay

principal of, and interest on, the Bonds coming due in the respective Recognized Obligation Payment Schedule period and to pay amounts owed to the Insurer or any other issuer of a Qualified Reserve Fund Credit Instrument or otherwise required to replenish any other reserve account established under this Indenture, as set forth above.

In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller that shall include, from the first Tax Revenues distributed to the Successor Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to prior payments described in Section 4.01): (i) all debt service due on all Outstanding Bonds and Parity Debt coming due during the applicable Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the Insurer hereunder, and (ii) any amount required to cure any deficiency in the Reserve Fund pursuant to this Indenture or a reserve fund established under any Parity Debt Instrument (including any amounts required due to a draw on any Qualified Reserve Fund Credit Instrument (including the Reserve Policy) as well as all amounts due and owing to the Insurer hereunder or to any other insurer in connection with Parity Debt). The Successor Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest coming due during the applicable Bond Year from the Redevelopment Property Tax Trust Fund moneys to be distributed to the Successor Agency on the January 2 of such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1 during such Bond Year.

The foregoing actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by Section 34171(d)(1)(A) of the Dissolution Act, that are necessary to comply with this Indenture.

(b) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules and/or amendments to the "last and final" Recognized Obligation Payment Schedule are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of debt service during each Bond Year that approximates as closely as possible the distributions described above, so as to ensure the receipt of (i) not less than one half of the debt service due during each Bond Year on all Outstanding Bonds prior to April 1 of such calendar year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding October 1.

[(c) *Insurer as Attorney-in-Fact.* In the event the Successor Agency fails to provide the Oversight Board or the State Department of Finance with a Recognized Obligation Payment Schedule by the statutory deadlines, to the extent permitted by applicable law, the Successor Agency designates the Insurer as its attorney-in-fact with the power to make such a request relating to the Bonds; provided however, that the Insurer will provide a copy of such request to

the Successor Agency at the time of such submission. With respect to Recognized Obligation Payment Schedules, if any amounts payable to the Insurer are not included on the then current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to include such amount to the extent permitted by law.]

[(d) *Last and Final Recognized Obligation Payment Schedule.* The Successor Agency shall not approve or submit for approval to the Successor Agency's Oversight Board or the State Department of Finance the final amendment to a "last and final" Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the Insurer.]

Section 5.09. [Reserved].

Section 5.10. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.11. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.12. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.13. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.14. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.15. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.16. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take

such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.16.

Section 5.17. Meet and Confer; Recognized Obligation Payment Schedule. The Successor Agency shall provide the Insurer with copies of all Recognized Obligation Payment Schedules submitted and any and all correspondence received from the State Department of Finance relating to or which could affect payments on the Bonds upon receipt, except for requests for copies of agreements or other supporting documentation by the State Department of Finance to support a Recognized Obligation Payment Schedule submitted by the Successor Agency. Documents posted by the State Department of Finance under their existing procedures on the State Department of Finance website shall meet this requirement. In the event that the Successor Agency is a party to a meet and confer with the State Department of Finance that relates to the payment of debt service on or security for the Bonds, or the Reserve Policy Costs, the Successor Agency shall notify the Insurer and, if the subject of the meet and confer could prevent timely payment of or impair the security for the Bonds or Reserve Policy Costs, the 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 Insurer determines in its discretion. In the event the Successor Agency receives a Recognized Obligation Payment Schedule denial, whether relating to the Bonds or not, and such denial could prevent timely and full payment of debt service on, or impair the security for, the Bonds or Reserve Policy Costs, the Successor Agency agrees to cooperate in good faith with the Insurer and the Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the State Department of Finance and to discuss such matters with the State Department of Finance directly.

Section 5.18. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI
THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by giving 30 days written notice to the Trustee by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

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

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

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

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which 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 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

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

to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

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

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

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

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

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

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

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

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

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

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

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

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

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

The Trustee 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 and City 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 and City whenever a person is to be added or deleted from the listing. If the Successor Agency and City elect 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 and City understand 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 and City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and City 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 and City. 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 and City agree: (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 and City; (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.

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

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

disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

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

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Fund and the Costs of Issuance Account shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such funds uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made pursuant to this Section.

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

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

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee has no duty in connection with the determination of Fair Market Value other

than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency.

For purposes of this Section 6.07, the term "Fair Market Value" shall mean the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions of the Trustee relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency and the Insurer upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

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

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

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

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

(c) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or

(d) to amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to take into account the redemption of any Bond prior to its maturity; or

(e) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture in accordance with Section 3.06.

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

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter

be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

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

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 30 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 30-day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time; or

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

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

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but

only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

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

Third, to the payment of any amounts due to any provider of a municipal bond or financial guaranty insurance policy with respect to any Bonds, including the Insurer.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings

or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

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

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

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

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

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

ARTICLE IX
MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Insurer and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

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

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

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

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

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

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

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

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

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

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

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

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency 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 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the

Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Successor Agency: Successor Agency to the Community
Redevelopment Agency of Atascadero
6500 Palma Avenue
Atascadero, California 93422
Attention: Director of Administrative Services

If to the Trustee: The Bank of New York Mellon Trust
Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, California 90071
Attention: Global Corporate Trust Services

[If to the Insurer: See Exhibit C.]

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

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

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

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

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO has caused this Indenture to be signed in its name by the Director of Administrative Services of the City of Atascadero, on behalf of the Successor Agency, and attested by the City Clerk of the City of Atascadero, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF ATASCADERO**

By: _____
Director of Administrative Services,
City of Atascadero

ATTEST:

City Clerk, City of Atascadero

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

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
TAX ALLOCATION REFUNDING BOND, SERIES 2024

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
_____ % October 1, 20__ _____, 2024 _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before September 15, 2024, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on April 1 and October 1 in each year, commencing October 1, 2024 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of

\$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024" (the "Bonds"), in an aggregate principal amount of \$ _____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of April 1, 2024, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to defease and refund the Prior Obligations (as such term is defined in the Indenture), and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds and any Parity Debt. In addition, the Bonds and any Parity Debt issued pursuant to a Supplemental Indenture shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Sinking Account and the Redemption Account (as such terms are defined in the Indenture). In addition, Bonds shall be secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or before October 1, 20____, are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, 20____ are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20____, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on October 1, 20__ and on October 1, 20__ shall also be subject to redemption in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Successor Agency pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the succeeding paragraph, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of such Bonds have been redeemed pursuant to the optional redemption provisions of the Indenture, the total amount of all future Sinking Account payments with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Bonds Maturing October 1, 20__

Sinking Account Redemption Date (October <u>r 1</u>)	Principal Amount <u>To Be Redeemed</u>
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Bonds Maturing Octoberr 1, 20__

Sinking Account Redemption Date (October <u>r 1</u>)	Principal Amount <u>To Be Redeemed</u>
---	---

In lieu of redemption of the Bonds pursuant to the preceding paragraphs, amounts on deposit in the Sinking Account or the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee pursuant to the Indenture during the current Bond Year other than for deposit in the Sinking Account) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Bonds so purchased by the Successor Agency in any 12-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Bonds required to be redeemed pursuant to the Indenture on the next succeeding October 1.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than 20 nor more than 60 days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

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

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

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

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

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

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE

OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Atascadero, the County of San Luis Obispo, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

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

IN WITNESS WHEREOF, the Successor Agency to the Community Redevelopment Agency of Atascadero has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Director of Administrative Services of the City of Atascadero, on behalf of the Successor Agency, and attested by the facsimile signature of the City Clerk of the City of Atascadero, on behalf of the Successor Agency, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF ATASCADERO**

By: _____
Director of Administrative Services,
City of Atascadero

ATTEST:

City Clerk, City of Atascadero

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[To come if applicable]

(FORM OF ASSIGNMENT)

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

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

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney,

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

Dated: _____

Signatures Guaranteed:

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

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

**EXHIBIT B
RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE
FOR BONDS**

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
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Totals

EXHIBIT C

**PROVISIONS RELATING TO
THE INSURANCE POLICY**

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

[To come, if applicable]

EXHIBIT D

**PROVISIONS RELATING TO
THE RESERVE POLICY**

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

[To come, if applicable]

\$ _____
**SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
TAX ALLOCATION REFUNDING BONDS,
SERIES 2024**

BOND PURCHASE AGREEMENT

_____, 2024

Successor Agency to the Community Redevelopment Agency of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Ladies and Gentlemen:

Piper Sandler & Co. (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the Successor Agency to the Community Redevelopment Agency of Atascadero (the “Agency”) which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof, or at such other later time as the Underwriter shall agree to in writing. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s length commercial transaction between the Agency and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as principal and not as agent or a fiduciary of the Agency; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Agency on other matters); and (iv) the Agency has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Agency for offering to the public, and the Agency hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$_____ aggregate principal amount of the Agency’s Tax Allocation Refunding Bonds, Series 2024 (the “Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof, less an Underwriter’s discount of \$_____ and [plus a net] original issue premium of \$_____). The Bonds are to be purchased by the Underwriter from the Agency. Such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the “Closing.”

2. The Bonds and Related Documents. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, an Indenture of Trust,

dated as of [April 1, 2024], (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds will be issued pursuant Part 1, Division 24 of the California Health and Safety Code (the “Law”) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and resolutions of the Agency adopted on [January 23, 2024] (the “Agency Resolution”) and on [March 12, 2024] (the “Agency OS Resolution”). The issuance of the Bonds was approved by the Oversight Board for the Successor Agency by a resolution on [January 29, 2024] (the “Oversight Board Resolution”). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The net proceeds of the Bonds will be used to refund in full the Community Redevelopment Agency of Atascadero 2004 Tax Allocation Bonds (Atascadero Redevelopment Project), originally issued in the aggregate principal amount of \$12,490,000 (the “2004 Bonds”) and the Agency’s obligations under that certain Reimbursement Agreement dated as of September 1, 2010, by and between the Successor Agency and the City of Atascadero (the “2010 Reimbursement Agreement”) and, together with the 2004 Bonds, the “Prior Obligations”).

The Agency will undertake pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the “Disclosure Certificate”) and executed by the Agency, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

As used herein, the term the “Agency Legal Documents” means and refers to this Purchase Agreement, the Indenture, the Continuing Disclosure Certificate, and the Escrow Agreement dated as of [April 1, 2024] by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agreement”), providing for the redemption and defeasance of the 2004 Bonds and the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A (the “2010 Bonds”), to which the 2010 Reimbursement Agreement relates

3. Offering.

(a) It shall be a condition to the Agency’s obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter’s obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Agency and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Underwriter reserves the right to change, subsequent to the initial public offering, such initial offering prices as it shall deem necessary in connection with the marketing of the Bonds.

(b) The Underwriter agrees to assist the Agency in establishing the issue price of the Bonds and shall execute and deliver to the Agency at Closing an “issue price” or similar certificate, together with copies of supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate

or necessary, in the reasonable judgment of the Underwriter, the Agency and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Agency under this section to establish the issue price of the Bonds may be taken on behalf of the Agency by the Agency's municipal advisor, Urban Futures, Inc. (the "Municipal Advisor") and any notice or report to be provided to the Agency may be provided to the Agency's Municipal Advisor.

(c) Except as otherwise set forth in Exhibit A attached hereto, the Agency will treat the first price at which 10% of each maturity of the Bonds (the "10% test"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Agency the price or prices at which it has sold to the public each maturity of Bonds for which the 10% test is used. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following.

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Agency when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity

allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Agency acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by the Agency and the Underwriter.

4. Use and Preparation of Documents. The Agency has caused to be prepared and delivered to the Underwriter prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement dated _____, 2024, relating to the Bonds (the “Preliminary Official Statement”), which was approved by the Agency OS Resolution. The Agency ratifies, confirms and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement.

The Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing a sufficient number of copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Agency and the Underwriter (the “Official Statement”) to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (defined below). The Agency hereby approves of the use and distribution (including the electronic distribution) by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Agency shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Exhibit B. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

5. Representations, Warranties and Agreements of the Agency. The Agency hereby represents, warrants and agrees as follows:

(a) The Agency is a public entity existing under the laws of the State of California, including the Law.

(b) The Agency has full legal right, power and authority to enter into the Agency Legal Documents and carry out and consummate the transactions contemplated by the Agency Legal Documents.

(c) By all necessary official action of the Agency prior to or concurrently with the acceptance hereof, the Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Agency Legal Documents, and the performance by the Agency of all transactions contemplated by the Agency Legal Documents; and the Agency Legal Documents will constitute legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(d) The Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Agency Legal Documents, and compliance with the provisions on the Agency’s part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party or to

which the Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture.

(e) Except as described in or contemplated by the Official Statement, as of the date of the Closing, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Agency of its obligations under the Agency Legal Documents have been or will be duly obtained.

(f) Between the date of this Purchase Agreement and the date of the Closing, the Agency will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Tax Revenues (as defined in the Indenture), nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Agency.

(g) To the best knowledge of the officer of the Agency executing this Purchase Agreement, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the Agency, affecting the existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Tax Revenues or contesting or affecting, as to the Agency, the validity or enforceability of the Agency Legal Documents or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Agency, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Agency or which might materially adversely affect the Tax Revenues of the Agency; nor, to the best knowledge of the officer of the Agency executing this Purchase Agreement, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Agency of the Agency Legal Documents.

(h) As of the time of acceptance hereof and as of the date of the Closing, the Agency does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Tax Revenues of the Agency superior to or on a parity with the lien provided for in the Indenture on the Tax Revenues, other than as disclosed in the Official Statement.

(i) As of the time of acceptance hereof and as of the date of the Closing, the Agency has or will have complied with the filing requirements of the Law, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Law.

(j) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system).

(k) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system).

(l) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days of the End of the Underwriting Period for the Bonds, the Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing.

(m) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system).

(n) After the Closing, the Agency will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by counsel for the Underwriter.

(o) Any certificate signed by any officer of the Agency and delivered to the Underwriter shall be deemed a representation by the Agency to the Underwriter as to the statements made therein.

(p) The Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement.

(q) The Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Agency is not a bond issuer whose arbitrage certifications may not be relied upon.

(r) The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(s) The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State of California income tax purposes of the interest on the Bonds.

(t) Except as disclosed in the Official Statement, the Agency has not defaulted in any material respect under any prior continuing disclosure undertaking within the previous five years.

(u) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(v) The Department of Finance of the State (the “Department of Finance”) has issued a letter, dated _____, 2024, approving the issuance of the Bonds (the “Department of Finance Letter”). No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

6. Closing. At 8:00 A.M., California time, on _____, 2024, or on such other date as may be mutually agreed upon by the Agency and the Underwriter, the Agency will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriter, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be

made at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“Bond Counsel”), or such other place as shall have been mutually agreed upon by the Agency and the Underwriter, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriter in New York, New York, through the book-entry system of The Depository Trust Company (“DTC”). Unless the DTC Fast Automated Securities Transfer (“FAST”) is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Agency contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven (7) business days of the date hereof, but in no event less than 1 day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested;

(b) The representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Agency and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Agency Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Agency, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Agency as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Agency relating to the Official Statement and the Agency Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) Bond Counsel Opinion. The approving opinion of Bond Counsel to the Agency, dated the date of the Closing and substantially in the form included as [Appendix B] to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing, stating that the Underwriter may rely on the opinions of Bond Counsel described in paragraph (1) above as if such opinions were addressed to the Underwriter and to the following effect:

(i) the Purchase Agreement has been duly executed and delivered by the Agency and (assuming due authorization, execution and delivery by and validity against the Underwriter) constitutes the valid and binding agreement of the Agency, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and by the application of equitable principles;

(ii) the statements contained in the Official Statement under the captions ["INTRODUCTION," "THE SERIES 2024 BONDS," "PLAN OF REFINANCING," "SECURITY FOR THE SERIES 2024 BONDS," "TAX MATTERS," and in Appendices A and B] insofar as such statements expressly summarize certain provisions of the Indenture or the opinion of Bond Counsel, are accurate in all material respects;

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(iv) the Agency has taken all actions required to pay and discharge in full the Agency's obligations under the Prior Obligations and to defease and discharge in full the 2004 Bonds and the 2010 Bonds and the 2004 Bonds and 2010 Bonds are no longer outstanding under the terms of the indentures pursuant to which the 2004 Bonds and 2010 Bonds, respectively, were issued.

(3) Fiscal Consultant's Certificate. A certificate of Urban Futures, Inc. (the "Fiscal Consultant"), dated the date of the Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter, (i) certifying as to the accuracy of (A) the information contained in [APPENDIX H—"FISCAL CONSULTANT'S REPORT", and the information in the Official Statement under the captions "THE PROJECT AREA" and "SECURITY FOR THE SERIES 2024 BONDS—Section 33676 Payments," and "—Statutory Tax Sharing Obligations,"] (ii) consenting to the inclusion of such firm's Fiscal Consultant's Report in the Preliminary Official Statement and the Official Statement, and (iii) stating that, to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report.

(4) Agency Counsel Opinion. An opinion of Counsel to the Agency, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to the Underwriter to the following effect:

(i) the Agency is a public entity duly organized and existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the Agency Legal Documents;

(ii) the Agency Resolution and the Agency OS Resolution were duly adopted at meetings of the Agency, called and held pursuant to law, with all public notice required by law and at which quorums were present and acting throughout; and the Agency Resolution and the Agency OS Resolution are in full force and effect and have not been modified, amended or rescinded since their respective adoption dates;

(iii) The Agency Legal Documents and the Official Statement have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, the Agency Legal Documents constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(iv) The execution and delivery of the Agency Legal Documents and the Official Statement and compliance with the provisions of the Agency Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Agency a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Agency is subject;

(v) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Agency, or the validity of the Bonds or the Agency Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Agency would have a material adverse effect upon the financial condition or the revenues of the Agency, or which, in any manner, questions the right of the Agency to issue, sell and deliver the Bonds, to enter into the Indenture and the Escrow Agreement or to use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the Tax Revenues; and

(vi) Based upon his or her participation as Agency Counsel in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, Agency Counsel has no reason to believe that, as of the its date and as of date of Closing, the information in the Official Statement relating to the Agency, the Tax Revenues and the Project Area (as that term is defined in the Indenture) (excluding any financial or statistical data with respect thereto, and any information relating to The Depository Trust Company or the book-entry only system, all as to which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture and the Escrow Agreement;

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Trustee and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligation of the Trustee, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the Escrow Agreement, or the consummation of the transactions contemplated by the Indenture and the Escrow Agreement.

(6) Agency Certificate. A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by a duly authorized officer of the Agency, to the effect that:

(i) the representations and warranties of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) no event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) no further consent is required to be obtained for the inclusion of the Agency's audited financial statements, including the accompanying accountant's letter for the fiscal year ended June 30, 2023 in the Preliminary Official Statement and the Official Statement.

(iv) the Agency is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party or is otherwise subject, which would have a material adverse impact on the Agency's ability to perform its obligations under the Agency Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

(7) Trustee's Certificate. A Certificate, dated the date of Closing, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has full power, authority and legal right to comply with the terms of the Indenture and the Escrow Agreement and to perform its obligations stated therein; and

(iii) the Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Trustee and (assuming due authorization, execution and delivery by the Agency) constitute legal, valid and binding obligations of the Trustee in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(8) Legal Documents. Executed copies of this Purchase Agreement, the Official Statement, and the other Agency Legal Documents.

(9) Rating Letter. A letter from S&P Global Ratings ("S&P") to the effect that the Bonds have been assigned a rating of "___," which rating shall be in effect as of the Closing Date.

(10) Disclosure Letter. A letter of Jones Hall, A Professional Law Corporation ("Disclosure Counsel"), dated the date of the Closing, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that, the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement, and the Official Statement, as of its date and as of the date of the Closing, the Preliminary Official Statement and the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto and information relating to The Depository Trust Company or the book-entry only system, as to which no advice need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(11) Agency Resolutions. A copy of the Agency Resolution and the Agency OS Resolution.

(12) Oversight Board Resolution. A copy of the Oversight Board Resolution.

(13) Department of Finance Letter. A copy of the Department of Finance Letter.

(14) Agency Board Certificate. A certificate of the Clerk of the Agency to the effect that the Agency Resolution and the Agency OS Resolution were validly adopted, remain in full force and effect, and have not been amended, rescinded or otherwise modified since their respective date of adoption.

(15) Oversight Board Certificate. A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

(16) Defeasance Opinion. An opinion or opinions of Bond Counsel with respect to the defeasance of the 2004 Bonds and the 2010 Bonds.

(17) Verification Report. A report, dated the date of the Closing, of _____, independent certified public accountants (the “Verification Agent”), to the effect that the Verification Agent has verified the accuracy of the mathematical computations of the adequacy of the deposits in the redemption funds for the 2004 Bonds and the 2010 Bonds for the full and timely payment of all principal (including premium, if any) and interest due with respect to the 2004 Bonds and 2010 Bonds to be defeased with the funds referenced in the Escrow Agreement, as are then outstanding on the dates specified in the Official Statement at the then applicable redemption price.

(18) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Agency or the Underwriter may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Agency or the Trustee shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, if the Agency shall determine in good faith (and provide written notice to the Underwriter) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Agency or the City by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriter shall be under no further obligation hereunder.

8. Termination. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the Agency if at any time between the date hereof and prior to the Closing:

(a) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Agency, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or State authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of

existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

(h) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding described in Section 5(g) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(j) there shall be in force a general suspension of trading on the New York Stock Exchange.

9. Expenses. The Agency will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Legal Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor, Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses incurred with the financing; (h) the fees of a third party consultant for a continuing disclosure undertaking compliance review; and (i) expenses (included in the expense component of the spread) incurred on behalf of the City's or the Agency's employees which are incidental to implementing this Purchase Agreement. The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, and the fee and disbursements of Underwriter's Counsel. The Underwriter is required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Agency agrees to reimburse the Underwriter for such fees.

The Underwriter shall pay, and the Agency shall be under no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

10. Notices. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing at the Agency's address set forth above; Attention: Executive Director, and to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 50 California Street, Suite 3100, San Francisco, California 94111, Attention: Ralph Holmes.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Agency and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Agency contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

12. Effectiveness and Counterpart Signatures. This Purchase Agreement shall become effective upon the execution of the acceptance by an authorized officer of the Agency and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Agreement may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

ITEM NUMBER: SA C-1
DATE: 01/23/24
ATTACHMENT: 4

14. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

Accepted:

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO

By: _____
Executive Director

EXHIBIT A

**SUCCESSOR AGENCY TO THE
 COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
 TAX ALLOCATION REFUNDING BONDS, SERIES 2024**

MATURITY SCHEDULE

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Used</i>
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^c Priced to first optional redemption date of October 1, 20__, at par.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or before October 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole or in part, by such maturities as shall be determined by the Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption. The Bonds maturing on October 1, 20__ and on October 1, 20__ shall also be subject to redemption in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Agency pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together

with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the succeeding paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of such Bonds have been optionally redeemed pursuant to the Indenture, the total amount of all future Sinking Account payments with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Agency.

Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	Principal Amount to be Redeemed
	\$

†

† Maturity Date.

Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	Principal Amount to be Redeemed
	\$

†

† Maturity Date.

In lieu of redemption of the Bonds pursuant to the preceding paragraphs, amounts on deposit in the Sinking Account or the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee pursuant to the Indenture during the current Bond Year other than for deposit in the Sinking Account) may also be used and withdrawn by the Agency at any time for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Agency may in its discretion determine. The par amount of any of such Bonds so purchased by the Agency in any 12-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Bonds required to be redeemed from Sinking Account payments on the next succeeding October 1.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
TAX ALLOCATION REFUNDING BONDS, SERIES 2024**

The undersigned, on behalf of Piper Sandler & Co. (“Piper”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Piper offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2024, by and between Piper and the Issuer, Piper has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2024), or (ii) the date on which Piper has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Successor Agency to the Community Redevelopment Agency of Atascadero.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By: _____

Name: _____

Dated: _____, 2024

ITEM NUMBER: SA C-1
DATE: 01/23/24
ATTACHMENT: 4

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

ITEM NUMBER:
DATE:
ATTACHMENT:

SA C-1
01/23/24
4

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT C

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Piper Sandler & Co. (the “Underwriter”) that [he/she] is a duly appointed and acting officer of the Successor Agency to the Community Redevelopment Agency of Atascadero authorized to execute this Certificate, and as such is to execute and deliver this Certificate and further hereby certify and reconfirm on behalf of the Agency to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the offering and sale of the Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024 (the “Bonds”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated as of _____, 2024, setting forth information concerning the Bonds and the Agency, as issuer of the Bonds (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final contract of purchase, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Agency shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ___ day of _____, 2024.

SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF ATASCADERO

By _____
Authorized Officer

ESCROW AGREEMENT

Relating to the Defeasance and Optional Redemption of:

**\$12,490,000 Initial Principal Amount
Atascadero Community Redevelopment Agency
2004 Tax Allocation Bonds
(Atascadero Redevelopment Project)**

and

**\$16,010,000 Initial Principal Amount
Atascadero Public Financing Authority
Lease Revenue Bonds, 2010 Series A**

This ESCROW AGREEMENT (this “**Agreement**”), made and entered into as of April 1, 2024, by and among the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO, a public entity existing under the laws of the State of California (the “**Agency**”), as successor agency of the former ATASCADERO COMMUNITY REDEVELOPMENT AGENCY (the “**Former Agency**”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter referenced Prior Bonds (the “**Prior Trustee**”) and as escrow agent (the “**Escrow Agent**”).

BACKGROUND:

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

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

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) in the initial principal amount of \$12,490,000 (the “**2004 Bonds**”) for the purpose of providing funds to finance redevelopment activities within and for the benefit of the Atascadero Redevelopment Project;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency also previously entered into a Reimbursement Agreement, dated as of September 1, 2010 (the “**2010 Agreement**”), which 2010 Agreement provided that the Former Agency would reimburse the City of Atascadero (the “**City**”) for lease payments made by the City to the Atascadero Public Financing

Authority (“**Authority**”) that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A issued in the initial principal amount of \$16,010,000 (the “**2010 Bonds**”), which were issued by the Authority to finance certain public facilities of substantial benefit to the Atascadero Redevelopment Project;

WHEREAS, the 2004 Bonds and 2010 Bonds are collectively referred to herein as the “**Prior Bonds**”;

WHEREAS, the 2004 Bonds were issued pursuant to an Indenture of Trust, dated as of November 1, 2004, by and between the Former Agency and the Prior Trustee (the “**2004 Indenture**”), and are subject to optional redemption on any date on and after September 1, 2015 at a redemption price equal to 100% of the principal to be redeemed, plus accrued interest to the redemption date, without premium; and

WHEREAS, the 2010 Bonds were issued pursuant to an Indenture of Trust, dated as of September 1, 2010, by and between the Authority and the Prior Trustee (the “**2010 Indenture**”), and are subject to optional redemption on any date on and after October 1, 2020, at a redemption price equal to 100% of the principal to be redeemed, plus accrued interest to the redemption date, without premium; and

WHEREAS, pursuant to the 2010 Agreement, the Former Agency (now succeeded by the Agency) agreed to reimburse the City for lease payments paid by the City that secured the payment of the 2010 Bonds; and

WHEREAS, the Agency has determined that it is in the best financial interests of the Agency to refund, at this time, the 2004 Bonds and the 2010 Agreement, which will in turn cause the refunding of the 2010 Bonds; and

WHEREAS, in order to provide funds for such purpose, the Agency is issuing its Tax Allocation Refunding Bonds, Series 2024 (the “**2024 Bonds**”) and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem the Prior Bonds (and the 2010 Agreement); and

WHEREAS, the 2024 Bonds are being issued pursuant to an Indenture of Trust dated as of April 1, 2024, between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**2024 Trustee**”); and

WHEREAS, the Agency wishes to enter into this Agreement with the Escrow Agent for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the defeasance and optional redemption of the Prior Bonds, which will have the effect of the prepayment and termination of the 2010 Agreement;

WHEREAS, the Escrow Agent has full powers to act with respect to said escrow fund and to perform the duties and obligations to be undertaken pursuant to this Agreement;

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

Section 1. Appointment of Escrow Agent. The Agency hereby appoints The Bank of New York Mellon Trust Company, N.A., as escrow agent for all purposes of this Agreement and in accordance with the terms and provisions of this Agreement, and the Escrow Agent hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created the Escrow Fund to be held by the Escrow Agent, separate and apart from any funds or accounts of the Escrow Agent or the Agency, as an irrevocable escrow securing payment of principal of and interest on the Prior Bonds as hereinafter set forth.

All cash and Defeasance Securities (as defined herein) in the Escrow Fund are hereby irrevocably pledged as a special fund for the payment and redemption of the Prior Bonds in accordance with the terms hereof. If at any time the Escrow Agent receives actual knowledge that the cash and amounts in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Agent will notify the Agency of such fact and the Agency will immediately cure such deficiency from any source of legally available funds.

As used herein, the term “Defeasance Securities” means the federal securities set forth on Exhibit A hereto and hereby incorporated herein. The Escrow Agent may conclusively rely upon the verification report by _____, dated _____, 2024, as to the sufficiency of the funds to make the payments by Section 5.

Without limiting Section 8, substitution of Defeasance Securities shall be permitted only upon receipt by the Escrow Agent of (a) an opinion of bond counsel to the Successor Agency that such substitution shall not affect the tax-exempt status of the Prior Bonds or the 2024 Bonds and (b) an updated verification report from _____ or other independent accounting firm showing sufficiency of amounts required to defease and redeem the Prior Bonds. Any substitution affecting the 2004 Bonds shall also require the prior written consent of [AXA (as successor to XL Capital Assurance Inc.)], as insurer of the 2004 Bonds.

Section 3. Deposit into Escrow Fund; Investment of Amounts.

(i) Concurrently with the execution and delivery of the 2024 Bonds, the Agency will cause to be transferred to the Escrow Agent for deposit into the Escrow Fund, the amount of \$ _____, from the following sources:

(a) \$ _____ from the proceeds of the 2024 Bonds; and

(b) \$ _____ from the various funds and accounts held by the Prior Trustee with respect to the 2004 Bonds and the 2010 Bonds.

(ii) With respect to the aggregate \$ _____ deposited into the Escrow Fund, the Escrow Agent will invest \$ _____ of the moneys deposited in the Defeasance Securities described in Exhibit A hereto, and hold the remaining \$ _____ in cash uninvested.

The Defeasance Securities and cash will be deposited with and held by the Escrow Agent in the Escrow Fund solely for the uses and purposes set forth herein. The Escrow Agent will have no lien upon or right of set off against the Defeasance Securities and cash at any time on deposit in the Escrow Fund. The Escrow Agent may create such subaccounts within the Escrow Fund as it may require to accomplish the purposes of this Escrow Agreement.

Section 4. Instructions as to Application of Deposit. The total amount of Defeasance Securities and cash deposited in the Escrow Fund pursuant to Section 3 will be applied by the Escrow Agent to the payment and redemption of the Prior Bonds in accordance with the agreements governing the Prior Bonds on the date(s) and in the amounts set forth on Exhibit B hereto. Any amounts remaining in the Escrow Fund following the full redemption of all of the Prior Bonds will be transferred by the Escrow Agent to the Prior Trustee, for deposit to the Interest Account of the Debt Service Fund established and held by the 2024 Trustee with respect to the 2024 Bonds.

Section 5. Election to Optionally Redeem; Notices. The Agency, on behalf of itself and the Authority, hereby instructs the Prior Trustee that it has irrevocably elected to redeem all of the outstanding Prior Bonds on _____, 2024. The Escrow Agent is hereby directed to give the following notices on the following dates to the Municipal Securities Rulemaking Board (MSRB)'s Electronic Municipal Market Access (EMMA) system accessible at the emma.msrb.org website:

(i) with respect to the 2004 Bonds, a Notice of Defeasance and Redemption on the issuance date of the 2024 Bonds, substantially in the form attached hereto as Exhibit C-1; and

(ii) with respect to the 2010 Bonds, a Notice of Defeasance on the issuance date of the 2024 Bonds, substantially in the form attached hereto as Exhibit C-2.

Section 6. Compensation to Escrow Agent. From proceeds of the Prior Bonds or other lawfully available sources, the Agency will pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase of any Defeasance Securities after the date hereof. Under no circumstances will amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes.

Section 7. Immunities and Liabilities of Escrow Agent.

(i) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Agreement and no implied duties or obligations will be read into this Agreement against the Escrow Agent.

(ii) The Escrow Agent will not have any liability hereunder except to the extent of its own gross negligence or willful misconduct.

(iii) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Agency) and the opinion of such counsel will be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(iv) The Escrow Agent will not be responsible for any of the recitals or representations contained herein.

(v) The Escrow Agent will not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Securities deposited with it to pay the principal of, and interest on, the Prior Bonds.

(vi) The Escrow Agent will not be liable for any action or omission of the Agency under this Agreement or any related agreement.

(vii) Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Agency, and such certificate will, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(viii) The Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and will be protected and indemnified, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(ix) The Escrow Agent may at any time resign by giving written notice to the Agency of such resignation. The Agency will promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective upon acceptance of appointment by a successor Escrow Agent. If the Agency does not within 60 days appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Agency may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Agency appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Agency will immediately and without further act be superseded by the successor Escrow Agent so appointed.

(x) The Agency covenants to indemnify and hold harmless the Escrow Agent against any loss, liability or expense, including legal fees, in connection with the performance of any of its duties hereunder, except the Escrow Agent will not be indemnified against any loss, liability or expense resulting from its gross negligence or willful misconduct.

(xi) If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Securities that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

(xii) The Escrow Agent shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Agreement.

(xiii) The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement 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 Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the Agency shall provide to the Escrow Agent 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 Agency whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The Agency understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the 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 Agency. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the 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 Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

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

(xv) The Escrow Agent may conclusively rely, as to the trust and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Agreement, and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in accordance with this Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any facts or matter stated in such notice, instruction, request, certificate or opinion.

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

(xvii) The liability of the Escrow Agent to make any payments under the Agreement shall be limited to the funds in the Refunding Escrow.

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

(xix) Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8. Amendment. This Agreement may be amended by the parties hereto, (i) without the consent of the owners of the Prior Bonds, but only if such amendment is made (a) to cure, correct or supplement any ambiguous or defective provision contained herein, (b) to pledge additional security to the payment and redemption of the Prior Bonds, or (c) to deposit additional monies for the purposes of this Agreement, or (ii) with the consent of 100% of the owners of the Prior Bonds then-outstanding, and only if there will have been filed with the Agency and the Escrow Agent a written opinion of Jones Hall, A Professional Law Corporation, as bond counsel, stating that any such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that any such amendment will not cause interest payable with respect to the Prior Bonds or the 2024 Bonds to become includable in the gross income of the owners thereof for federal income tax purposes. Any amendments to this Agreement affecting the 2004 Bonds shall also require the prior written consent of [AXA (as successor to XL Capital Assurance Inc.)], as insurer of the 2004 Bonds.

Section 9. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 10. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 11. Severability. In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

[Remainder of page intentionally left blank. Signature on next page.]

ITEM NUMBER: SA C-1
DATE: 01/23/24
ATTACHMENT: 5

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

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF ATASCADERO**

By: _____
Director of Administrative Services,
City of Atascadero

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

By: _____
Vice President

ITEM NUMBER: SA C-1
DATE: 01/23/24
ATTACHMENT: 5

EXHIBIT A
DEFEASANCE SECURITIES

Type of Security	Maturity Date	Par Amount	Rate	Cost	Accrued Interest	Total Cost
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EXHIBIT B

SCHEDULE OF PAYMENT AND REDEMPTION

2004 Bonds

Period Ending	Principal	Interest	Principal Redeemed	Total
May __, 2024	--			

2010 Bonds/2010 Agreement

Period Ending	Principal	Interest	Principal Redeemed	Total
May __, 2024	--			

Combined Total Withdrawals from Escrow Fund

Totals:

EXHIBIT C-1

FORM OF NOTICE OF DEFEASANCE AND OPTIONAL REDEMPTION

**\$12,490,000 Initial Principal Amount
 Atascadero Community Redevelopment Agency
 2004 Tax Allocation Bonds
 (Atascadero Redevelopment Project)**

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Community Redevelopment Agency of Atascadero (the "Successor Agency") with respect to the captioned bonds (the "Bonds"), that it has defeased all of the outstanding Bonds as of April ____, 2024, and has irrevocably elected to optionally redeem such Bonds on May ____, 2024. The Bonds will be optionally redeemed at a redemption price equal to the principal amount redeemed, plus accrued interest to the date of redemption, without premium. Amounts sufficient for such redemption have been deposited into an escrow fund held by The Bank of New York Mellon Trust Company, N.A., as escrow agent, for such purpose.

The Bonds that have been defeased and that the Successor Agency has elected to optionally redeem consist of the following:

<u>Maturity Date (September 1)</u>	<u>Outstanding Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number*</u>
2028 ^T	\$2,755,000	4.875%	046518 AV8
2034 ^T	4,315,000	5.000	046518 BB1

^T Term Bond

* CUSIP data are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ. The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Bond; the CUSIP numbers are included solely for the convenience of the owners of the Bonds.

Dated: April ____, 2024

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

EXHIBIT C-2

FORM OF NOTICE OF DEFEASANCE AND OPTIONAL REDEMPTION

**\$16,010,000 Initial Principal Amount
 Atascadero Public Financing Authority
 Lease Revenue Bonds, 2010 Series A**

NOTICE IS HEREBY GIVEN, by the Atascadero Public Financing Authority (the "Authority") with respect to the captioned bonds (the "Bonds"), that it has defeased all of the outstanding Bonds as of April __, 2024, and has irrevocably elected to optionally redeem such Bonds on May __, 2024. The Bonds will be optionally redeemed at a redemption price equal to the principal amount redeemed, plus accrued interest to the date of redemption, without premium. Amounts sufficient for such redemption have been deposited into an escrow fund held by The Bank of New York Mellon Trust Company, N.A., as escrow agent, for such purpose.

The Bonds that have been defeased and that the Authority has elected to optionally redeem consist of the following:

<u>Maturity Date (October 1)</u>	<u>Outstanding Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number*</u>
2024	\$305,000	4.250%	046551 AQ0
2025	315,000	4.000	046551 AR8
2033 ^T	3,155,000	5.000	046551 AU1
2035 ^T	1,855,000	5.000	046551 AV9
2040 ^T	7,900,000	5.000	046551 AT4

^T Term Bond

* CUSIP data are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ. The Authority and the Trustee shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Bond; the CUSIP numbers are included solely for the convenience of the owners of the Bonds.

Dated: April __, 2024

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