

## JOINT MEETING NOTICE AND AGENDA

### SPECIAL MEETING OF MADERA CITY COUNCIL REGULAR MEETING OF THE CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY AND SPECIAL MEETING OF CITY COUNCIL AS THE SUCCESSOR HOUSING AGENCY

Wednesday, March 14, 2018 at 6:00 p.m.

City Hall Council Chambers, 205 West 4<sup>th</sup> Street, Madera, California 93637

#### 1. 6:00 p.m. – CALL TO ORDER

##### ROLL CALL

Mayor Andrew J. Medellin  
Mayor Pro-Tem Jose Rodriguez  
Council Member Cecelia K. Foley Gallegos  
Council Member William Oliver  
Council Member Derek O. Robinson Sr.  
Council Member Charles F. Rigby  
Council Member Donald E. Holley

##### INVOCATION

Pastor Fred Thurman, New Life Assembly

##### PLEDGE OF ALLEGIANCE

##### PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Agency or Council on items which are within the subject matter jurisdiction of the Agency or Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.

##### PRESENTATIONS

##### INTRODUCTIONS

#### 2. WORKSHOP

There are no items for this section.

#### 3. CONSENT CALENDAR

- 3A. Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency – February 14, 2018 (**City/Successor Agency/Successor Housing Agency**)
- 3B. Listing of Warrants Issued from February 1, 2018 to February 28, 2018 (**Successor Agency**)
- 3C. Monthly Financial Reports – Successor Agency (**Successor Agency**)
- 3D. Monthly Financial Reports – Code Enforcement (**City**)
- 3E. Consideration of a Resolution Approving the List of Authorized Signers for the Account of the City of Madera as Successor Agency to the former Madera Redevelopment Agency (Agency) and Directing that No Less than Two Authorized Signers Shall Approve Payments from the Agency's Bank Account (**Successor Agency**)

- 3F. Consideration of a Resolution Approving Certain Officers to Order the Deposit or Withdrawal of Monies in the Local Agency Investment Fund (LAIF) **(Successor Agency)**
- 3G. Consideration of Resolutions Authorizing the Mayor or Executive Director to Accept the Conveyance of Real Property on Behalf of the Successor Agency and Successor Housing Agency **(Successor Agency/Successor Housing Agency)**
- 3H. Consideration of Resolutions Approving Amendments to the Successor Housing Agency and Successor Agency to the Former Madera Redevelopment Agency FY 2017/2018 Budgets **(Successor Agency/Successor Housing Agency)**

4. **PROJECTS AND REPORTS**

- 4A. Consideration of a Resolution of the City Council of the City of Madera as the Successor Agency to the Former Madera Redevelopment Agency of the City of Madera Approving the Issuance of Refunding Bonds in Order to Refund Certain Outstanding Bonds of the Former Madera Redevelopment Agency, Approving the Execution and Delivery of an Indenture of Trust and Refunding Instructions, Approving the Sale of the Refunding Bonds to an Underwriter, and Providing for Other Matters Properly Relating Thereto **(Successor Agency)**

5. **AGREEMENTS**

There are no items for this section.

6. **HOUSING**

There are no items for this section.

7. **GENERAL**

There are no items for this section.

8. **AGENCY MEMBER REPORTS**

9. **CLOSED SESSION**

There are no items for this section.

10. **ADJOURN**

The next Regular Meeting of the Successor Agency will be Wednesday, April 11, 2018.

*The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.*

*Any writing related to an agenda item for the open session of this meeting distributed to the Agency/City Council less than 72 hours before this meeting is available for inspection at the Agency office located at 428 East Yosemite Avenue, Madera California 93638 during normal business hours.*

*Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5113.*

I, Claudia Mendoza, Recording Secretary, declare under penalty of perjury that I posted the above Joint Meeting Agenda of the Special Meeting of the Madera City Council, and Regular Meeting of the City Council as the Successor Agency for the former Madera Redevelopment Agency and Special Meeting of the City Council as the Successor Housing Agency for March 14, 2018 to be held at 6:00 p.m. in the Council Chambers at City Hall near the front entrances of City Hall before the close of business on Thursday, March 8, 2018.

*Claudia Mendoza*

Claudia Mendoza, Successor Agency Recording Secretary



## **AGENDA ITEM 3A**

**Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency – February 14, 2018  
(City/Successor Agency/Successor Housing Agency)**

**This agenda item will be delivered prior to the meeting.**

**THE SUCCESSOR AGENCY TO  
THE FORMER CITY OF MADERA REDEVELOPMENT AGENCY**

Memorandum To: The Honorable Chairman,  
Agency Board and  
Executive Director

From: Office of the Treasurer

Subject: Listing of Warrants Issued

Date: March 14, 2018

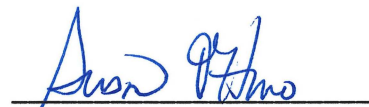
Attached, for your information, is the register of the warrants for the Successor Agency to the former Redevelopment Agency covering obligations paid during the period of:

February 1, 2018 - February 28, 2018

Each demand has been audited and I hereby certify to their accuracy and that there were sufficient funds for their payment.

General Warrants: #1253-1268 \$ 1,151,373.28

Respectfully submitted,



Susan O'Haro  
Financial Services Manager



Bob Wilson  
Successor Agency Executive Director

**THE SUCCESSOR AGENCY TO  
THE FORMER CITY OF MADERA REDEVELOPMENT AGENCY  
REGISTER OF AUDITED DEMANDS FOR BANK #1-UNION BANK MAIN ACCOUNT  
March 14, 2018**

CHECK	PAYDATE	ISSUED TO	DESCRIPTION	AMOUNT
1253	02/01/2018	AT&T	Relocate Utilities Riverside Villas	15,196.98
1254	02/01/2018	MADERA CLEANERS AND LAUNDRY INC.	Mat Cleaning	4.50
1255	02/01/2018	NORTHSTAR ENGINEERING GROUP INC	SW Industrial Study Professional Services	8,410.00
1256	02/01/2018	PACIFIC GAS & ELECTRIC	1/18 Utilities 428 E Yosemite Ave. & 5 E Yosemite Ave.	1,413.83
1257	02/01/2018	SANDY'S HOUSEKEEPING	Custodial Svs for February 2018	425.00
1258	02/01/2018	THE BANK OF NEW YORK MELLON TRUST CO, NA	Madera Bond Series 2008B Interest	86,321.88
1259	02/01/2018	THE BANK OF NEW YORK MELLON TRUST CO, NA	Madera Bond Series 1998 Interest	128,456.25
1260	02/01/2018	THE BANK OF NEW YORK MELLON TRUST CO, NA	Madera Bond Series 2003 Interest	325,537.50
1261	02/01/2018	THE BANK OF NEW YORK MELLON TRUST CO, NA	Madera Bond Series 2008A Interest	584,943.75
1262	02/23/2018	ANTHEM BLUE CROSS	City paid retiree medical bill March - Taubert	143.67
1263	02/23/2018	ANTHEM BLUE CROSS	City paid retiree Rx bill 3/1/18-4/1/18 - Taubert	169.80
1264	02/23/2018	CITY OF MADERA	2/18 & 12/17 UB Svs 5 E Yosemite Ave.	184.77
1265	02/23/2018	MADERA CLEANERS AND LAUNDRY INC.	Mat Cleaning	4.50
1266	02/23/2018	MADERA COUNTY TAX COLLECTOR	309 Malone St - MID	75.22
1267	02/23/2018	PETTY CASH-RDA	Petty cash reimbursement - recording fees & other supplies	75.17
1268	02/23/2018	RICOH USA, INC	Copier maintenance fee for period 01/18	10.46

**BANK #1 - Union Bank Main Acct. Total**

**\$ 1,151,373.28**

# CITY OF MADERA REDEVELOPMENT AGENCY REPORT TO SUCCESSOR AGENCY BOARD

SUCCESSOR AGENCY MEETING OF MARCH 14, 2018

SUCCESSOR AGENDA ITEM NUMBER 3C / 3D

APPROVED BY

  
FINANCE DEPARTMENT

  
SUCCESSOR AGENCY EXECUTIVE DIRECTOR

**Subject:** Monthly Financial Reports

**Background:** Each month the Finance Department will be including in the agenda packet a set of reports that present the operating results for the Successor Agency during the prior month. Reports for the Code Enforcement program are also included in this presentation.

**Recommendation:** This report is for Successor Board Member review and no formal action is being requested.

**Discussion:** Due to the timing of the Successor Agency meetings, it will not be possible to reflect the results from each month based on information that is reconciled to the bank statement, since the statements are not available from the bank in time to do so. However, the information shown in the actual column is cumulative, so later months will reflect any changes made to an earlier month based on the reconciliation of accounting data to the bank and trustee statements.

## CONSISTENCY WITH THE VISION MADERA 2025 PLAN

Approval of the monthly financial reports is not addressed in the vision or action plans; there is no formal action being requested, therefore, no conflict exists with any of the actions or goals contained in that plan.

Should the Successor Agency Board wish to have additional information, the Finance Department will make every effort to meet those requests.

03/07/2018  
18:55:55

City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

RETURN TO AGENDA

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
4020 Housing Fund							
<hr/>							
40200000 Low/Mod Housing Fund							
40200000 4163 Interest Income/Loans	-203	0	-203	.00	.00	-203.00	.0%
40200000 4190 Rental Income	0	0	0	-2,100.00	.00	2,100.00	.0%
40200000 4434 Grant	-16,000	0	-16,000	.00	.00	-16,000.00	.0%
40200000 4659 Refunds and Reimbursements	0	0	0	-24,073.62	.00	24,073.62	.0%
40200000 4671 Sale of Real and Personal Pr	-250,000	0	-250,000	-297,000.00	.00	47,000.00	118.8%
40200000 5000 Salaries/Full-time	5,631	0	5,631	3,282.45	.00	2,348.55	58.3%
40200000 5005 Salaries/Part-time	526	0	526	169.94	.00	356.06	32.3%
40200000 5105 Salaries/Leave Payout	354	0	354	2,509.04	.00	-2,155.04	708.8%
40200000 5300 Public Employee Retirement S	1,318	0	1,318	471.98	.00	846.02	35.8%
40200000 5302 Long Term Disability Insuran	16	0	16	7.55	.00	8.45	47.2%
40200000 5303 Life Insurance Premiums	3	0	3	1.66	.00	1.34	55.3%
40200000 5304 Workers Compensation Insuran	552	0	552	243.33	.00	308.67	44.1%
40200000 5305 Medicare Tax- Employer's Sha	97	0	97	89.36	.00	7.64	92.1%
40200000 5307 Deferred Comp/Part-Time	20	0	20	7.43	.00	12.57	37.2%
40200000 5308 Deferred Compensation/Full-t	321	0	321	118.45	.00	202.55	36.9%
40200000 5309 Unemployment Insurance	16	0	16	110.99	.00	-94.99	693.7%
40200000 5310 Section 125 Benefit Allow.	871	0	871	561.53	.00	309.47	64.5%
40200000 6401 Gas and Electric Utilities	4,000	0	4,000	499.80	.00	3,500.20	12.5%
40200000 6402 Telephone/Fax Charges	350	0	350	145.23	.00	204.77	41.5%
40200000 6411 Advertising/Bids and Notices	800	0	800	900.94	.00	-100.94	112.6%
40200000 6416 Office Supplies/Expendable	200	0	200	2.05	.00	197.95	1.0%
40200000 6418 Postage / Other Mailing Char	100	0	100	.00	.00	100.00	.0%
40200000 6440 Contracted Services	30,000	0	30,000	8,201.08	.00	21,798.92	27.3%
40200000 6480 Adopt-A-School Grant Program	0	0	0	188.00	.00	-188.00	.0%
40200000 6485 Rehabilitation Costs	150,000	0	150,000	8,436.54	.00	141,563.46	5.6%
40200000 6487 Disposal Costs	0	0	0	10,963.50	.00	-10,963.50	.0%
40200000 6515 Taxes and Assessments	2,000	0	2,000	75.22	.00	1,924.78	3.8%
40200000 6530 Conference/Training/Ed	100	0	100	.00	.00	100.00	.0%
40200000 6532 Maintenance/Other Supplies	400	0	400	85.00	.00	315.00	21.3%
40200000 6562 Retiree Insurance Premiums	0	0	0	125.05	.00	-125.05	.0%
40200000 7030 Facilities And Improvements	450,000	0	450,000	2,100.00	.00	447,900.00	.5%
TOTAL Low/Mod Housing Fund	381,472	0	381,472	-283,877.50	.00	665,349.50	-74.4%
TOTAL Housing Fund	381,472	0	381,472	-283,877.50	.00	665,349.50	-74.4%
TOTAL REVENUES	-266,203	0	-266,203	-323,173.62	.00	56,970.62	
TOTAL EXPENSES	647,675	0	647,675	39,296.12	.00	608,378.88	

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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
4030 Redevelopment Property Tax Trust Fund							
<hr/>							
40300000 Non Housing Tax Increment							
40300000 4000 Current Secured Property Tax	-3,686,763	0	-3,686,763	-3,686,763.00	.00	.00	100.0%
40300000 8200 Transfer Out	3,875,445	0	3,875,445	3,686,763.00	.00	188,682.00	95.1%
TOTAL Non Housing Tax Increment	188,682	0	188,682	.00	.00	188,682.00	.0%
TOTAL Redevelopment Property Tax Trust Fund	188,682	0	188,682	.00	.00	188,682.00	.0%
TOTAL REVENUES	-3,686,763	0	-3,686,763	-3,686,763.00	.00	.00	
TOTAL EXPENSES	3,875,445	0	3,875,445	3,686,763.00	.00	188,682.00	



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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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57500000 Successor Agency Admin							
57500000 4355 Transfer In	-250,000	0	-250,000	-250,000.00	.00	.00	100.0%
57500000 5000 Salaries/Full-time	219,753	0	219,753	85,029.27	.00	134,723.73	38.7%
57500000 5005 Salaries/Part-time	20,522	0	20,522	5,403.57	.00	15,118.43	26.3%
57500000 5105 Salaries/Leave Payout	13,819	0	13,819	55,500.02	.00	-41,681.02	401.6%
57500000 5300 Public Employee Retirement S	51,419	0	51,419	11,925.43	.00	39,493.57	23.2%
57500000 5302 Long Term Disability Insuran	624	0	624	202.91	.00	421.09	32.5%
57500000 5303 Life Insurance Premiums	136	0	136	44.40	.00	91.60	32.6%
57500000 5304 Workers Compensation Insuran	20,157	0	20,157	6,391.22	.00	13,765.78	31.7%
57500000 5305 Medicare Tax- Employer's Sha	3,768	0	3,768	1,720.96	.00	2,047.04	45.7%
57500000 5307 Deferred Comp/Part-Time	770	0	770	164.41	.00	605.59	21.4%
57500000 5308 Deferred Compensation/Full-t	5,014	0	5,014	4,038.58	.00	975.42	80.5%
57500000 5309 Unemployment Insurance	630	0	630	2,473.84	.00	-1,843.84	392.7%
57500000 5310 Section 125 Benefit Allow.	33,978	0	33,978	12,421.10	.00	21,556.90	36.6%
57500000 6401 Gas and Electric Utilities	4,000	0	4,000	12,179.71	.00	-8,179.71	304.5%
57500000 6402 Telephone/Fax Charges	3,500	0	3,500	1,298.33	.00	2,201.67	37.1%
57500000 6414 Professional Dues	300	0	300	200.00	.00	100.00	66.7%
57500000 6415 Publications/Subscriptions	100	0	100	39.00	.00	61.00	39.0%
57500000 6416 Office Supplies/Expendable	1,500	0	1,500	54.09	.00	1,445.91	3.6%
57500000 6420 Mileage Reimbursements	1,200	0	1,200	460.00	.00	740.00	38.3%
57500000 6440 Contracted Services	20,500	0	20,500	4,554.62	.00	15,945.38	22.2%
57500000 6515 Taxes and Assessments	800	0	800	341.07	.00	458.93	42.6%
57500000 6530 Conference/Training/Ed	3,312	0	3,312	480.00	.00	2,832.00	14.5%
57500000 6532 Maintenance/Other Supplies	5,000	0	5,000	.00	.00	5,000.00	.0%
57500000 6562 Retiree Insurance Premiums	0	0	0	676.21	.00	-676.21	.0%
TOTAL Successor Agency Admin	160,802	0	160,802	-44,401.26	.00	205,203.26	-27.6%
TOTAL Successor Agency Admin	160,802	0	160,802	-44,401.26	.00	205,203.26	-27.6%
TOTAL REVENUES	-250,000	0	-250,000	-250,000.00	.00	.00	
TOTAL EXPENSES	410,802	0	410,802	205,598.74	.00	205,203.26	

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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
6050 Non Housing Bond Proceeds							
<hr/>							
60500000 Non Housing Bond Proceeds							
60500000 4201 Services for Other Agencies	0	0	0	-800.00	.00	800.00	.0%
60500000 5000 Salaries/Full-time	95,335	0	95,335	61,288.63	.00	34,046.37	64.3%
60500000 5005 Salaries/Part-time	8,858	0	8,858	3,164.21	.00	5,693.79	35.7%
60500000 5105 Salaries/Leave Payout	6,077	0	6,077	42,352.63	.00	-36,275.63	696.9%
60500000 5300 Public Employee Retirement S	23,458	0	23,458	8,670.13	.00	14,787.87	37.0%
60500000 5302 Long Term Disability Insuran	272	0	272	144.37	.00	127.63	53.1%
60500000 5303 Life Insurance Premiums	62	0	62	31.56	.00	30.44	50.9%
60500000 5304 Workers Compensation Insuran	8,741	0	8,741	4,619.44	.00	4,121.56	52.8%
60500000 5305 Medicare Tax- Employer's Sha	1,634	0	1,634	1,594.85	.00	39.15	97.6%
60500000 5307 Deferred Comp/Part-Time	333	0	333	125.44	.00	207.56	37.7%
60500000 5308 Deferred Compensation/Full-t	2,137	0	2,137	2,671.00	.00	-534.00	125.0%
60500000 5309 Unemployment Insurance	324	0	324	1,882.39	.00	-1,558.39	581.0%
60500000 5310 Section 125 Benefit Allow.	12,769	0	12,769	9,478.67	.00	3,290.33	74.2%
60500000 6401 Gas and Electric Utilities	4,000	0	4,000	990.04	.00	3,009.96	24.8%
60500000 6402 Telephone/Fax Charges	2,000	0	2,000	145.23	.00	1,854.77	7.3%
60500000 6416 Office Supplies/Expendable	0	0	0	2.05	.00	-2.05	.0%
60500000 6440 Contracted Services	52,000	0	52,000	804.18	.00	51,195.82	1.5%
60500000 6515 Taxes and Assessments	1,000	0	1,000	102.39	.00	897.61	10.2%
60500000 6532 Maintenance/Other Supplies	33,500	0	33,500	.00	.00	33,500.00	.0%
60500000 6562 Retiree Insurance Premiums	0	0	0	125.05	.00	-125.05	.0%
60500000 6804 Infrastructure Study	70,000	0	70,000	8,410.00	52,413.55	9,176.45	86.9%
60500000 7030 Facilities And Improvements	350,000	0	350,000	.00	.00	350,000.00	.0%
60500000 7050 Construction/Infrastructure	3,438,410	-1,001,160	2,437,250	15,027.65	115,971.59	2,306,250.76	5.4%
TOTAL Non Housing Bond Proceeds	4,110,910	-1,001,160	3,109,750	160,829.91	168,385.14	2,780,534.95	10.6%
TOTAL Non Housing Bond Proceeds	4,110,910	-1,001,160	3,109,750	160,829.91	168,385.14	2,780,534.95	10.6%
TOTAL REVENUES	0	0	0	-800.00	.00	800.00	
TOTAL EXPENSES	4,110,910	-1,001,160	3,109,750	161,629.91	168,385.14	2,779,734.95	

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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR: 6060 LowMod Housing Bond Proceeds	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
<hr/>							
60600000 LowMod Housing Bond Proceeds							
60600000 6440 Contracted Services	0	0	0	49,735.00	-131,357.72	81,622.72	.0%
60600000 7030 Facilities And Improvements	309,810	0	309,810	106,818.47	.00	202,991.53	34.5%
TOTAL LowMod Housing Bond Proceeds	309,810	0	309,810	156,553.47	-131,357.72	284,614.25	8.1%
TOTAL LowMod Housing Bond Proceeds	309,810	0	309,810	156,553.47	-131,357.72	284,614.25	8.1%
TOTAL EXPENSES	309,810	0	309,810	156,553.47	-131,357.72	284,614.25	

03/07/2018  
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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR: 8040 Debt Svc Fund - SA	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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80400000 Debt Svc Fund/Successor Agency							
80400000 4162 Interest Income	0	0	0	-58,798.86	.00	58,798.86	.0%
80400000 4355 Transfer In	-3,674,522	0	-3,674,522	-3,436,763.00	.00	-237,759.00	93.5%
80400000 6440 Contracted Services	93,997	0	93,997	7,526.00	.00	86,471.00	8.0%
80400000 8000 Interest Expense	2,278,015	0	2,278,015	2,278,135.25	.00	-120.25	100.0%
80400000 8001 Principal Payment	1,280,000	0	1,280,000	1,280,000.00	.00	.00	100.0%
TOTAL Debt Svc Fund/Successor Agency	-22,510	0	-22,510	70,099.39	.00	-92,609.39	-311.4%
TOTAL Debt Svc Fund - SA	-22,510	0	-22,510	70,099.39	.00	-92,609.39	-311.4%
TOTAL REVENUES	-3,674,522	0	-3,674,522	-3,495,561.86	.00	-178,960.14	
TOTAL EXPENSES	3,652,012	0	3,652,012	3,565,661.25	.00	86,350.75	

03/07/2018  
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City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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GRAND TOTAL	5,129,166	-1,001,160	4,128,006	59,204.01	37,027.42	4,031,774.57	2.3%
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03/07/2018  
18:58:29

City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

RETURN TO AGENDA

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1020 General Fund							
<hr/>							
10204400 Code Enforcement							
10204400 4076 Registration Fee	-16,750	0	-16,750	-3,280.00	.00	-13,470.00	19.6%
10204400 4203 Background Check/Report Fee	-900	0	-900	-425.00	.00	-475.00	47.2%
10204400 4228 Revenue/ Graffiti Ordinance	0	0	0	-238.00	.00	238.00	.0%
10204400 4551 Fines/Penalties for Violati	-418,290	0	-418,290	-251,989.52	.00	-166,300.48	60.2%
10204400 4554 Vehicle Abatement Fee	-45,000	0	-45,000	-52,118.28	.00	7,118.28	115.8%
10204400 4555 Multi-Family Inspection Fees	0	0	0	-847.00	.00	847.00	.0%
10204400 4556 Revenue/ Foreclosures	-27,000	0	-27,000	-15,660.61	.00	-11,339.39	58.0%
10204400 4561 Rental Business License Insp	-100,000	0	-100,000	.00	.00	-100,000.00	.0%
10204400 4562 Taxi Cab Inspection Fee	-1,140	0	-1,140	-390.00	.00	-750.00	34.2%
10204400 4659 Refunds and Reimbursements	-16,000	0	-16,000	-301.00	.00	-15,699.00	1.9%
10204400 4684 Cost Recovery for Weed Abate	-10,000	0	-10,000	-1,567.38	.00	-8,432.62	15.7%
10204400 5000 Salaries/Full-time	552,463	0	552,463	331,358.22	.00	221,104.48	60.0%
10204400 5005 Salaries/Part-time	86,490	0	86,490	31,607.79	.00	54,881.73	36.5%
10204400 5100 Salaries/Overtime	0	0	0	2,568.98	.00	-2,568.98	.0%
10204400 5105 Salaries/Leave Payout	11,966	0	11,966	13,886.81	.00	-1,920.48	116.0%
10204400 5110 Salaries/Uniform Pay	1,500	0	1,500	1,750.00	.00	-250.00	116.7%
10204400 5300 Public Employee Retirement S	123,856	0	123,856	51,466.26	.00	72,389.99	41.6%
10204400 5302 Long Term Disability Insuran	1,822	0	1,822	999.29	.00	822.67	54.8%
10204400 5303 Life Insurance Premiums	542	0	542	307.42	.00	234.80	56.7%
10204400 5304 Workers Compensation Insuran	56,469	0	56,469	31,462.92	.00	25,005.75	55.7%
10204400 5305 Medicare Tax- Employer's Sha	9,782	0	9,782	5,175.18	.00	4,607.25	52.9%
10204400 5307 Deferred Comp/Part-Time	3,243	0	3,243	1,272.55	.00	1,970.81	39.2%
10204400 5308 Deferred Compensation/Full-t	26,791	0	26,791	14,821.30	.00	11,970.08	55.3%
10204400 5309 Unemployment Insurance	3,106	0	3,106	2,575.30	.00	530.30	82.9%
10204400 5310 Section 125 Benefit Allow.	185,270	0	185,270	100,068.85	.00	85,201.25	54.0%
10204400 6401 Gas and Electric Utilities	15,000	0	15,000	.00	.00	15,000.00	.0%
10204400 6402 Telephone/Fax Charges	8,000	0	8,000	2,749.35	.00	5,250.65	34.4%
10204400 6411 Advertising/Bids and Notices	1,000	0	1,000	487.84	.00	512.16	48.8%
10204400 6414 Professional Dues	525	0	525	320.00	.00	205.00	61.0%
10204400 6415 Publications/Subscriptions	250	0	250	194.72	.00	55.28	77.9%
10204400 6416 Office Supplies/Expendable	6,000	0	6,000	3,181.39	.00	2,818.61	53.0%
10204400 6418 Postage / Other Mailing Char	8,000	0	8,000	5,272.75	.00	2,727.25	65.9%
10204400 6425 Vehicle Fuel, Supplies & Mai	7,000	0	7,000	2,192.13	.00	4,807.87	31.3%
10204400 6437 Weed Abatement Expense	10,000	0	10,000	835.50	.00	9,164.50	8.4%
10204400 6440 Contracted Services	80,000	0	80,000	6,904.08	2,315.61	70,780.31	11.5%
10204400 6530 Conference/Training/Ed	10,000	0	10,000	5,378.35	.00	4,621.65	53.8%
10204400 6532 Maintenance/Other Supplies	10,000	0	10,000	1,553.60	.00	8,446.40	15.5%
10204400 6902 Interfund Charges- Central S	600	0	600	378.88	.00	221.12	63.1%

03/07/2018  
18:58:29

City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1020 General Fund							
10204400 6907 Interfund Chrg/Vehicle Replc	12,000	0	12,000	7,000.00	.00	5,000.00	58.3%
10204400 6908 Interfund Chrg/Vehicle Maint	19,255	0	19,255	11,235.00	.00	8,020.32	58.3%
10204400 6918 Interfund Charges- Comp Main	77,369	0	77,369	48,990.00	.00	28,379.00	63.3%
10204400 6920 Interfund Charges - Computer	14,616	0	14,616	9,744.00	.00	4,872.28	66.7%
TOTAL Code Enforcement	707,836	0	707,836	368,921.67	2,315.61	336,598.84	52.4%
TOTAL General Fund	707,836	0	707,836	368,921.67	2,315.61	336,598.84	52.4%
TOTAL REVENUES	-635,080	0	-635,080	-326,816.79	.00	-308,263.21	
TOTAL EXPENSES	1,342,916	0	1,342,916	695,738.46	2,315.61	644,862.05	

03/07/2018  
18:58:29

City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1081 General Fund - LEA Tire Grant							
<hr/>							
10814460 Tire Amnesty Grant							
10814460 4559 Tire Amnesty Grant	-60,230	0	-60,230	-49,583.18	.00	-10,646.82	82.3%
10814460 5000 Salaries/Full-time	8,480	0	8,480	1,231.04	.00	7,248.96	14.5%
10814460 5300 Public Employee Retirement S	2,388	0	2,388	1,761.35	.00	626.66	73.8%
10814460 5302 Long Term Disability Insuran	31	0	31	5.75	.00	24.78	18.8%
10814460 5303 Life Insurance Premiums	0	0	0	1.77	.00	-1.77	.0%
10814460 5304 Workers Compensation Insuran	748	0	748	141.17	.00	606.51	18.9%
10814460 5305 Medicare Tax- Employer's Sha	128	0	128	24.37	.00	103.75	19.0%
10814460 5308 Deferred Compensation/Full-t	356	0	356	65.85	.00	290.31	18.5%
10814460 5309 Unemployment Insurance	254	0	254	.00	.00	254.40	.0%
10814460 5310 Section 125 Benefit Allow.	3,386	0	3,386	729.65	.00	2,656.25	21.5%
10814460 6412 Advertising/Other	1,866	0	1,866	567.00	.00	1,299.00	30.4%
10814460 6418 Postage / Other Mailing Char	1,029	0	1,029	.00	.00	1,029.00	.0%
10814460 6440 Contracted Services	40,690	0	40,690	7,980.00	32,500.00	210.00	99.5%
10814460 6532 Maintenance/Other Supplies	911	0	911	337.96	.00	573.04	37.1%
TOTAL Tire Amnesty Grant	37	0	37	-36,737.27	32,500.00	4,274.07	%
TOTAL General Fund - LEA Tire Grant	37	0	37	-36,737.27	32,500.00	4,274.07	%
TOTAL REVENUES	-60,230	0	-60,230	-49,583.18	.00	-10,646.82	
TOTAL EXPENSES	60,267	0	60,267	12,845.91	32,500.00	14,920.89	



03/07/2018  
18:58:29

City of Madera, CA - LIVE 11.3  
FLEXIBLE PERIOD REPORT

FROM 2018 01 TO 2018 08

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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GRAND TOTAL	707,873	0	707,873	332,184.40	34,815.61	340,872.91	51.8%
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**REPORT TO THE SUCCESSOR AGENCY  
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF: March 14, 2018**

**AGENDA ITEM NUMBER: 3E**

**APPROVED BY:**

  
Executive Director

**Subject: Consideration of a Resolution Approving the List of Authorized Signers for the Account of the City of Madera as Successor Agency to the former Madera Redevelopment Agency (Agency) and Directing that No Less than Two Authorized Signers Shall Approve Payments from the Agency's Bank Account**

**Summary: The Successor Agency will consider a resolution approving the list of authorized signers for the Agency's bank account.**

**HISTORY/BACKGROUND**

There has been an unwritten requirement calling for the signature of two authorized signers before monies can be paid from the Agency's bank account. Requiring two signatures from the list of authorized signers to withdraw funds safeguards the Agency's assets.

**SITUATION**

Successor Agency Resolution SA 18-02 currently lists as authorized signers:

Robert Wilson, Business Manager  
Steve Frasier, City Administrator  
Tim L. Przybyla, Agency Treasurer

The appointment of Robert Wilson as Executive Director necessitates the Successor Agency to update its list of authorized officers to sign for the Agency's bank account. Staff is recommending that the authorized signers for the Agency's bank accounts be:

Robert Wilson, Executive Director  
Steve Frasier, City Administrator  
Tim L. Przybyla, Agency Treasurer

**RECOMMENDATION**

Staff recommends the Successor Agency adopt the resolution approving the revised list of authorized signers for the Agency's account.

BW

Attachment:  
-Resolution

RESOLUTION NO. SA 18-\_\_\_\_\_

**A RESOLUTION OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY (AGENCY) APPROVING THE LIST OF AUTHORIZED SIGNERS FOR THE ACCOUNT AND DIRECTING THAT NO LESS THAN TWO AUTHORIZED SIGNERS SHALL APPROVE PAYMENTS FROM THE AGENCY'S ACCOUNT**

WHEREAS, the Agency's operations require the use of a financial institution to perform banking and other financial functions; and

WHEREAS the Agency maintains a list of authorized signers on its bank account as shown in Exhibit "A", attached to this resolution and incorporated by reference herein; and

WHEREAS, the Agency desires to establish the requirement that no less than two (2) authorized signers shall approve payments from the Agency's account.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The list of signers on the Agency's bank account as shown in Exhibit "A" to this resolution is hereby approved.
3. The Successor Agency Board directs that no fewer than two (2) authorized signers must approve the payment of monies from the Agency's account.
4. A signed copy of this resolution shall be forwarded to the office of the Finance Director who shall maintain compliance with the approved list of signers.
5. This resolution is effective immediately.

\* \* \* \* \*

## **Exhibit "A"**

### **List of Authorized Signers on the Agency's Bank Account**

Robert Wilson, Executive Director

Steve Frazier, City Administrator

Tim L. Przybyla, Agency Treasurer

**REPORT TO THE SUCCESSOR AGENCY  
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF: March 14, 2018**

**AGENDA ITEM NUMBER: 3F**

**APPROVED BY:**



**Executive Director**

**Subject: Consideration of a Resolution Approving Certain Officers to Order the Deposit or Withdrawal of Monies in the Local Agency Investment Fund (LAIF)**

**Summary: The Successor Agency will consider a resolution authorizing investment of monies in the Local Agency Investment Fund (LAIF) and stipulating certain officers authorized to order the deposit or withdrawal of monies in LAIF.**

**HISTORY/BACKGROUND**

Successor Agency Resolution SA 18-01 currently lists authorized signers to order the deposit or withdrawal of monies in LAIF:

Steve Frazier, City Administrator  
Robert Wilson, Business Manager  
Tim L. Przybyla, Agency Treasurer

**SITUATION**

The retirement of Executive Director Jim Taubert, and appointment of Robert Wilson as Executive Director necessitates the Successor Agency adopt a new resolution stipulating its authorized signers. The authorized signers would be:

Robert Wilson, Executive Director  
Tim L. Przybyla, Agency Treasurer  
Steve Frazier, City Administrator

**RECOMMENDATION**

Staff recommends the Successor Agency Board adopt the resolution authorizing investment of monies in LAIF and stipulating certain officers authorized to order the deposit or withdrawal of monies in LAIF.

BW/

Attachment:  
-Resolution

**RESOLUTION NO. SA 18-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA APPROVING THE LIST OF AUTHORIZED SIGNERS FOR THE AGENCY'S ACCOUNT WITH THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency ("Agency") utilizes its account in LAIF for the purpose of conducting its business; and

WHEREAS the Agency desires to maintain property safeguards over its financial assets through the identification of individuals authorized to approve payments from the Agency's accounts; and

WHEREAS, the Agency has new officers who need to become an authorized signer on the LAIF account;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The list of signers on the LAIF account as shown in Exhibit "A" to this resolution and incorporated by reference herein is approved.
3. A signed copy of this resolution shall be forwarded to the office of the Finance Director.
4. The Successor Agency shall mail a certified copy of this resolution to LAIF as notification of the identity of the authorized signers as shown in Exhibit "A" to this resolution.
5. This resolution is effective immediately.

\* \* \* \* \*

## **Exhibit "A"**

### **List of Authorized Signers on the LAIF Account**

Robert Wilson, Executive Director

Tim L. Przybyla, Agency Treasurer

Steve Frazier, City Administrator

**REPORT TO THE SUCCESSOR AGENCY AND  
SUCCESSOR HOUSING AGENCY  
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**BOARD MEETING OF: March 14, 2018**

**AGENDA ITEM NUMBER: 3G**

**APPROVED BY:**



**Executive Director**

**Subject: Consideration of Resolutions Authorizing the Mayor or Executive Director to Accept the Conveyance of Real Property on Behalf of the Successor Agency and Successor Housing Agency**

**Summary: The Successor Agency and Successor Housing Agency will consider approving resolutions authorizing the Mayor or Executive Director to accept Grant Deeds and Deeds of Easements on behalf of the Successor Agency and Successor Housing Agency.**

**HISTORY**

State law requires that before a deed, which conveys property to a governmental agency may be recorded, a certificate of acceptance executed by an officer of the Agency must be attached. Currently the Agency provides this authorization on a conveyance-by-conveyance basis. The attached resolutions, if adopted, will authorize either the Mayor or City Administrator to accept property on behalf of the Successor Agency or Successor Housing Agency to aid in the continued sale and disbursement of Agency-owned commercial and housing properties as called for in ABx1 26.

**RECOMMENDATION**

Staff recommends the following actions:

1. The Successor Agency adopt the resolution authorizing either the Mayor or Executive Director to accept grant deeds and deeds of easements on behalf of the City of Madera as Successor Agency of the former Madera Redevelopment Agency.
2. The Successor Housing Agency adopt the resolution authorizing either the Mayor or Executive Director to accept grant deeds and deeds of easements on behalf of the City of Madera as Successor Housing Agency of the former Madera Redevelopment Agency

BW

Attachments:  
-Resolutions (SA/SHA)



**RESOLUTION NO. SA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA AUTHORIZING THE MAYOR OR THE CITY ADMINISTRATOR OF THE AGENCY TO ACCEPT GRANT DEEDS AND DEEDS OF EASEMENTS ON BEHALF OF THE SUCCESSOR AGENCY**

WHEREAS, California Government Code Section 27281 requires that before a grant or deed conveying an interest in or easement upon real property to a public agency may be recorded, it must first be accepted by the agency and the acceptance must be evidenced in writing on the deed or grant document; and

WHEREAS the Executive Director of the Successor Agency is responsible for the review and approval of all grants or deeds conveying an interest or easement upon real property to be used by the Agency; and

WHEREAS Government Code Section 27281 authorizes the Agency to delegate the authority to accept such deeds or grants to one or more of its officers or agents; and

WHEREAS, many of such conveyances are routine in nature and occur on a regular and frequent basis.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The Mayor or Executive Director are authorized and designated as agents of the Agency to accept and consent to all conveyances of interests in or easements upon real property for all purposes, and evidence such acceptance and consent in writing on such document.
3. The Mayor or Executive Director are authorized and designated to accept and consent to all other conveyances of interests in real property to the Agency and evidence in writing such acceptance and consent on the conveyance document.
4. The foregoing designations and authorizations are only valid for grants, deeds or other documents as described above which have previously been approved as to form by the City Attorney.
5. The Recording Secretary of the Agency shall certify to the adoption of this resolution and shall cause a certified copy of this resolution to be recorded in the office of the County Recorder of Madera County.

\* \* \* \* \*

**RESOLUTION NO. SHA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA AUTHORIZING THE MAYOR OR EXECUTIVE DIRECTOR TO ACCEPT GRANT DEEDS AND DEEDS OF EASEMENTS ON BEHALF OF THE SUCCESSOR HOUSING AGENCY**

WHEREAS, California Government Code Section 27281 requires that before a grant or deed conveying an interest in or easement upon real property to a public agency may be recorded, it must first be accepted by the agency and the acceptance must be evidenced in writing on the deed or grant document; and

WHEREAS the Executive Director of the Successor Housing Agency is responsible for the review and approval of all grants or deeds conveying an interest or easement upon real property to be used by the Agency; and

WHEREAS Government Code Section 27281 authorizes the Agency to delegate the authority to accept such deeds or grants to one or more of its officers or agents; and

WHEREAS, many of such conveyances are routine in nature and occur on a regular and frequent basis.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The Mayor or Executive Director are authorized and designated as agents of the Agency to accept and consent to all conveyances of interests in or easements upon real property for all purposes, and evidence such acceptance and consent in writing on such document.
3. The Mayor or Executive Director are authorized and designated to accept and consent to all other conveyances of interests in real property to the Agency and evidence in writing such acceptance and consent on the conveyance document.
4. The foregoing designations and authorizations are only valid for grants, deeds or other documents as described above which have previously been approved as to form by the City Attorney.
5. The Recording Secretary of the Agency shall certify to the adoption of this resolution and shall cause a certified copy of this resolution to be recorded in the office of the County Recorder of Madera County.

\* \* \* \* \*

**REPORT TO THE SUCCESSOR HOUSING AGENCY AND THE  
SUCCESSOR AGENCY  
OF THE FORMER MADERA REDEVELOPMENT AGENCY**

BOARD MEETING OF: March 14, 2018

AGENDA ITEM NUMBER: 3H

APPROVED BY:



Executive Director

**Subject: Consideration of Resolutions Approving Amendments to the  
Successor Housing Agency and Successor Agency to the Former  
Madera Redevelopment Agency FY 2017/2018 Budgets**

**DISCUSSION:** The goal of the mid-year budget adjustment is to reevaluate activity to date for the current year and make projections for the remaining portion of the year. At this time the most notable adjustments being requested follow:

**Successor Housing Agency**

Revenue increase for anticipated sale of additional Riverside lots \$180,000

Salary Leave Payout increase for retiree \$80,000

Acquisitions – setup expenditure budget for negotiated property purchase and related activity \$400,000

Rehabilitation Costs – decrease targeted rehab budget \$140,000

Facilities and Improvements – decrease for property acquisition \$200,000

**Successor Agency**

Salary budget in the system needs to be adjusted to match ROPS approved admin budget

**RECOMMENDATION**

Staff recommends the following actions:

1. The Successor Housing Agency adopt the resolution approving Amendments to the Fiscal Year 2017/2018 Budget.
2. The Successor Agency adopt the resolution approving Amendments to the Fiscal Year 2017/2018 Budget.

BW

Attachments:

-Resolutions (Successor Housing Agency & Successor Agency)

-Exhibits

**RESOLUTION NO. SHA 18-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA  
AS THE SUCCESSOR HOUSING AGENCY TO THE FORMER  
MADERA REDEVELOPMENT AGENCY APPROVING AMENDMENTS  
TO THE SUCCESSOR HOUSING AGENCY FISCAL YEAR 2017/2018  
BUDGET**

WHEREAS, Agency staff has completed a mid-year budget review and determined that certain budget amendments are necessary; and

WHEREAS, funds are available for Exhibit A amendments attached; and

WHEREAS, the amendments to the Successor Housing Fiscal Year 2017/2018 Budget, listed in Exhibit A attached hereto, are necessary to fund projected activity of the Successor Housing Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The appropriations for the items listed in Exhibit A, attached hereto are approved.
3. A signed copy of this resolution shall be forwarded to the office of the Finance Director who is authorized to take such action as necessary to implement the terms of this resolution.
4. This resolution is effective immediately upon adoption.

\* \* \* \* \*



**RESOLUTION NO. SA 18-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA  
AS THE SUCCESSOR AGENCY TO THE FORMER MADERA  
REDEVELOPMENT AGENCY APPROVING AMENDMENTS TO THE  
SUCCESSOR AGENCY FISCAL YEAR 2017/2018 BUDGET**

WHEREAS, Agency staff has completed a mid-year budget review and determined that certain budget amendments are necessary; and

WHEREAS, funds are available for Exhibit A amendments attached; and

WHEREAS, the amendments to the Successor Fiscal Year 2017/2018 Budget, listed in Exhibit A attached hereto, are necessary to fund projected activity of the Successor Agency Funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY HEREBY finds orders and resolves as follows:

1. The above recitals are true and correct.
2. The appropriations for the items listed in Exhibit A, attached hereto are approved.
3. A signed copy of this resolution shall be forwarded to the office of the Finance Director who is authorized to take such action as necessary to implement the terms of this resolution.
4. This resolution is effective immediately upon adoption.

\* \* \* \* \*

**EXHIBIT A**

**SUCCESSOR AGENCY  
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

**Budget Appropriations: Res. SA 18- 3/14/2018**

**Mid Year Budget Amendments - Fiscal Year 2017/18**

<b>FUND</b>	<b>ORG CODE</b>	<b>OBJECT CODE</b>	<b>DESCRIPTION</b>	<b>Debit</b>	<b>Credit</b>
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**RPTTF Fund 4030**

<i>Expenditures</i>				<b>Increase</b>	<b>Decrease</b>
40300000	8200	Transfer Out		49,077	

8200 - Entry will balance transfers in/out

**Successor Agency Admin Fund 5750**

<i>Expenditures</i>				<b>Increase</b>	<b>Decrease</b>
57500000	5000	Salaries/Full-time			98,277
57500000	5005	Salaries/Part-time			9,178
57500000	5105	Salaries/Leave Payout			6,180
57500000	5300	Public Employee Retirement Sys			22,983
57500000	5302	Long Term Disability Insurance			279
57500000	5303	Life Insurance Premiums			61
57500000	5304	Workers Compensation Insurance			8,242
57500000	5305	Medicare Tax- Employer's Share			1,685
57500000	5307	Deferred Comp/Part-Time			345
57500000	5308	Deferred Compensation/Full-tim			1,904
57500000	5309	Unemployment Insurance			282
57500000	5310	Section 125 Benefit Allow.			15,195
		<b>TOTAL</b>			<b>164,611</b>

Correct administrative salary budget in MUNIS per ROPS approval.

**Successor Agency Debt Service Fund 8040**

<i>Revenue</i>				<b>Decrease</b>	<b>Increase</b>
80400000	4162	Interest Income			75,000

4162 - Setup interest income budget


**REPORT TO THE SUCCESSOR AGENCY TO THE FORMER  
MADERA REDEVELOPMENT AGENCY**

Approved by:

Board Meeting of: March 14, 2018

  
\_\_\_\_\_  
Treasurer

Agenda Number: 4A

  
\_\_\_\_\_  
Executive Director

**SUBJECT**

CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER MADERA REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND REFUNDING INSTRUCTIONS, APPROVING THE SALE OF THE REFUNDING BONDS TO AN UNDERWRITER, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**RECOMMENDED ACTION**

Staff recommends the Successor Agency Board adopt the resolution approving the issuance of refunding bonds, approving the execution of certain documents, approving the sale of the refunding bonds to Brandis Tallman LLC as underwriter and providing any other actions required to close the transaction.

**BACKGROUND**

As part of the City's / Agency's ongoing effort to implement cost reduction. The Executive Director, Treasurer and Municipal Advisor have identified four outstanding bond issues of the Successor Agency (the "Agency") that can be refunded for significant debt service savings:



<b>Issue</b>	<b>Original Amount</b>	<b>Outstanding Amount</b>	<b>Final Maturity</b>	<b>Remaining Interest Rates</b>
1998 Tax Allocation Redevelopment Project Bonds <sup>(1)</sup>	\$7,440,000	\$5,415,000	9/1/2028	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds <sup>(2)</sup>	\$19,495,000	\$13,350,000	9/1/2033	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A <sup>(3)</sup>	\$25,455,000	\$22,260,000	9/1/2038	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B <sup>(4)</sup>	\$4,000,000	\$3,320,000	9/1/2038	4.50-5.375%

**Notes**

Collectively, the ("Prior Bonds")

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

The Prior Bonds are secured by tax increment revenue received from the Agency's project area.

**DISCUSSION**

Based on current interest rates, substantial savings may be realized if the Prior Bonds are refunded, benefiting not only the City's General Fund but the other taxing entities. For that reason, staff is recommending the Successor Agency Board authorizes the sale of 2018 Tax Allocation Refunding Bonds, Series 2018A and Tax Allocation Refunding Bonds, 2018B (Federally Taxable) together the ("2018 Refunding Bonds") and approve all related documents.

**Benefits of the Refunding**

The Prior Bonds are currently outstanding in the amount of \$44,345,000, have a final maturity of September 1, 2038 with existing interest rates ranging from 4.375% to 5.375%. Based on interest rates as of March 5, 2018, assuming an underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund, the Prior Bonds can be refunded to the same term at approximate yields ranging from 1.87-4.11%.

## **Options for Consideration**

Staff is seeking direction tonight on two different structuring options. These two options will also be presented to the Oversight Board for their consideration along with the recommendation made by the Successor Agency Board tonight. The two options are:

### **Level Savings**

Refinancing the Prior Bonds on a level savings basis is estimated to produce total savings of approximately \$8,637,954 over the life of the bonds and produce average annual savings of approximately \$432,353 per year from year 2020 to 2038. In today's dollars, the net present value savings are estimated at \$6,307,908 or equal to 14.22%<sup>(\*)</sup> of the Prior Bonds principal amount.

### **Accelerated Savings**

Refinancing the Prior Bonds on an accelerated savings basis is estimated to produce total savings of approximately \$6,675,698 and produce average annual savings of approximately \$1,098,206 per year from 2020 to 2025. In today's dollars, the net present value savings are estimated at \$5,979,429 or equal to 13.48%<sup>(\*)</sup> of the Prior Bonds principal amount.

#### **Notes**

(\*) Generally net present value savings more than 3.00% are considered significant. The Government Finance Officers Association, in their best practices white paper titled "Analyzing and Issuing Refunding Bonds" from February 2011, reports that "one test often used by issuers to assess the appropriateness of a refunding is the requirement specifying the achievement of a minimum net present value (NPV) savings. A common threshold is that the savings (net of all issuance costs and any cash contribution to the refunding), as a percentage of the refunded bonds exceeds 3-5%."

The debt service on the Successor Agency bonds is not an obligation of the City's General Fund. The debt service is payable solely from tax increment revenues received from the City's project area and any funds held under the legal documents.

Most of the financing team will work on a contingent basis and all fees are payable solely upon the successful sale and closing of the 2018 Refunding Bonds with two exceptions. First, the fees and expenses of Fraser & Associates as Fiscal Consultant cannot be contingent because they prepare projections and other pertinent information relied upon by investors. Second, Standard & Poor's will be asked to provide a rating on the transaction and again, because this rating is relied upon by investors, their fee cannot be contingent. Should the 2018 Refunding Bonds not close, these two costs can be recovered through the Successor Agency ROPs process. All other fees and expenses of the transaction are paid from the costs of issuance of the transaction and are accounted for in all savings calculations.

## **Financing Team**

To facilitate the issuance of the 2018 Refunding Bonds, the Successor Agency previously engaged the services of: Brandis Tallman LLC as Underwriter, Jones Hall, A Professional Law Corporation, as Bond Counsel and as Disclosure Counsel, Fraser & Associates as Fiscal Consultant and Del Rio Advisors, LLC as Municipal Advisor.

- Underwriter

The Underwriter is an investment banking firm that assists in structuring the bonds, assists the team with the bond rating and credit enhancement process and markets / sells the bonds to potential investors. The underwriter is also prepared to underwrite any unsold balances on the date of sale.

- Bond Counsel

Bond Counsel drafts the bond documents and ensures that all legal requirements critical to the validity of the bonds are satisfied, and issues the required opinions, including as to the tax exemption of the tax-exempt bonds.

- Disclosure Counsel

Disclosure Counsel prepares the official statement and sets up the continuing disclosure undertaking. The official statement is the primary marketing document used by the Underwriter to market the bonds to potential investors.

- Fiscal Consultant

The Fiscal Consultant prepares a Fiscal Consultant's Report used as an exhibit to the official statement and prepares the tables contained in the body of the document. The report and tables describe all information and data related to the project area including a projection of future tax increment expected to be received by the Agency for the remaining term of the bonds.

- Municipal Advisor

The Municipal Advisor assists the Agency in the solicitation of fee proposals and makes recommendations on the selection of Underwriter, Bond and Disclosure Counsel and Fiscal Consultant. The Municipal Advisor will make recommendations as to the structure, timing and terms of the bonds, reviews all fees and expenses, coordinates the financing team, assists

in verifying coupons and yields on the date of sale and reviews and comments on all documents.

### **Documents for Review and Approval**

To facilitate the issuance of the 2018 Refunding Bonds, the Successor Agency will be approving certain documents required to consummate the transaction:

- Refunding Plan and Savings Analysis

The dissolution law requires a Municipal Advisor to review the refunding, make a representation to both the Successor Agency Board and the Oversight Board and ultimately to the State of California Department of Finance regarding the viability of the refunding. The Refunding Plan and Savings Analysis is the document prepared by the Municipal Advisor to meet this requirement.

- Indenture of Trust

A document between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. as Trustee. This document governs all terms and conditions of the 2018 Refunding Bonds including payment terms, management of all funds and accounts, redemption provisions, security provisions, events of default and related remedies and roles and duties of the Trustee.

- Irrevocable Refunding Instructions

A document between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. as Prior Trustee. This document governs all terms and conditions for redeeming the Prior Bonds by creating an irrevocable escrow account such that the Prior Bonds are redeemed in full and off the books of the Successor Agency.

**Tentative Schedule**

If the Agency Board approves moving forward this evening, the remaining steps for formal approval are as follows:

- Oversight Board reviews the documentation and approves the refunding, moving the documentation to:
  - Madera County Administrative Officer
  - Madera County Auditor-Controller
  - State of California Department of Finance (“DoF”)
- DoF has five (5) days to reply that they will review the refunding and sixty (60) days to reply with formal approval / denial
- Disclosure Counsel prepares the official statement
- Agency Board reviews and approves the official statement

**FINANCIAL IMPACT**

**Level Savings**

<i>Total Estimated Savings:</i>	<i>\$8,637,954<sup>(1)</sup></i>
<i>Estimated Net Present Value “NPV” Savings:</i>	<i>\$6,307,908<sup>(1)</sup></i>
<i>Estimated NPV Savings % (Par of Prior Bonds)</i>	<i>14.22%<sup>(1)</sup></i>
<i>Estimated Costs of Issuance:</i>	<i>\$280,199<sup>(2)</sup></i>
<i>Estimated Cost of Credit Enhancement:</i>	<i>\$576,428<sup>(3)</sup></i>

**Accelerated Savings**

<i>Total Estimated Savings:</i>	<i>\$6,675,698<sup>(1)</sup></i>
<i>Estimated Net Present Value “NPV” Savings:</i>	<i>\$5,979,429<sup>(1)</sup></i>
<i>Estimated NPV Savings % (Par of Prior Bonds)</i>	<i>13.48%<sup>(1)</sup></i>
<i>Estimated Costs of Issuance:</i>	<i>\$280,021<sup>(2)</sup></i>
<i>Estimated Cost of Credit Enhancement:</i>	<i>\$590,174<sup>(3)</sup></i>

**Notes**

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(1) Based on interest rates as of March 5, 2018 and includes all costs of issuing the bonds  
 (2) Includes Underwriter’s Discount and Costs of Issuance  
 (3) Includes Bond Insurance and Surety Policy for the Reserve Fund

The City’s General Fund and the other taxing entities will receive a proportionate share of the annual debt service savings through the RPTTF distribution in the form of unrestricted property tax.

The table below displays a reasonable estimate of the costs of issuance related to the 2018 Refunding Bonds for each of the two scenarios. The costs of issuance are taken into consideration for all savings calculations.

**Estimated Costs of Issuance**

<b>Projected Issue Size</b>	<b>Level Savings</b>	<b>Accelerated Savings</b>
	<b>\$38,190,000.00</b>	<b>\$38,105,000.00</b>
Bond / Disclosure Counsel	50,000.00	50,000.00
Municipal Advisor	48,250.00	48,250.00
Fiscal Consultant	26,000.00	26,000.00
Rating Fee	40,000.00	40,000.00
Trustee / Escrow Agent	7,500.00	7,500.00
Trustee Counsel	1,500.00	1,500.00
Verification Report	5,000.00	5,000.00
Printing	10,000.00	10,000.00
Miscellaneous	7,500.00	7,500.00
Rounding Adjustment	4,250.00	4,250.00
<b>Total Estimated Costs of Issuance</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>
<b>Percentage</b>	<b>0.52%</b>	<b>0.52%</b>
<b>Total Estimated Underwriter's Discount</b>	<b>\$80,199.00</b>	<b>\$80,020.50</b>
<b>Percentage</b>	<b>0.210%</b>	<b>0.210%</b>
<b>Total Estimated Costs of Credit Enhancement</b>	<b>\$576,428.18</b>	<b>\$590,174.14</b>
<b>Percentage</b>	<b>1.51%</b>	<b>1.55%</b>
<b>Total Estimated Costs of Issuance</b>	<b>\$856,627.18</b>	<b>\$870,194.64</b>
<b>Percentage</b>	<b>2.24%</b>	<b>2.28%</b>

To comply with a new law (Government Code 5852.1) the following good faith estimates of certain costs and charges for the 2018 Refunding Bonds are included here and displayed as ranges depending on whether the Board chooses the Level Savings or Accelerated Savings option:

	<b>Level Savings</b>	<b>Accelerated Savings</b>
Estimated "All-In" True Interest Cost of the Bonds:	3.777%	3.838%
Estimated Finance Charge of the Bonds (Sum of all Fees and Charges Paid to Third Parties) (Includes Credit Enhancement)	\$856,627	\$870,195
Estimated Amount of Proceeds of the Bonds Received by the Agency (Net of Finance Charges, Reserves and Capitalized Interest, If Any) (Amount Used to Defeas the Prior Bonds)	\$39,990,703	\$39,990,703
Estimated Total Payment Amount to Maturity of the Bonds: (Sum Total of all Payments to Pay Debt Service on the Bonds) (Plus Finance Charges Not Paid with Proceeds of the Bonds, If Any)	\$56,824,724	\$58,786,980

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

The presentation of this item is consistent with Strategy 115 of the Vision Plan - Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth. It is also in line with funding core services as articulated by the Vision Madera 2025 Plan.

**ATTACHMENTS**

- Attachment A: Successor Agency Resolution
- Attachment B: Refunding Plan and Savings Analysis
- Attachment C: Indenture of Trust
- Attachment D: Irrevocable Refunding Instructions

RESOLUTION NO. SA 18-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER MADERA REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND REFUNDING INSTRUCTIONS, APPROVING THE SALE OF THE REFUNDING BONDS TO AN UNDERWRITER, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued four outstanding series of bonds (the "Outstanding Bonds"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("1998 Bonds")

(ii) \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("2003 Bonds"); and

(iii) \$25,455,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008A and \$4,000,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008B ("2008 Bonds");

WHEREAS, the Successor Agency has determined that debt service savings can be achieved by refunding the Outstanding Bonds and 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 Successor Agency to the former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A and Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (together, the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Del Rio Advisors, LLC (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 Outstanding Bonds (the "Debt Service Savings Analysis");



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, by and 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"), and the Irrevocable Refunding Instructions to be delivered to The Bank of New York Mellon Trust Company, N.A., as trustee of the Outstanding Bonds, to be dated as of the date of the issuance and delivery of the Refunding Bonds (the "Refunding Instructions");

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

WHEREAS, the Successor Agency wishes to request that the Oversight Board approve and direct the issuance of the Refunding Bonds and the other actions of the Successor Agency that are set forth in and contemplated by pursuant to this Resolution;

WHEREAS, the Successor Agency further wishes to request 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;

WHEREAS, the Successor Agency has desires to sell the Refunding Bonds to Brandis Tallman LLC, as underwriter (the "Underwriter");

WHEREAS, 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 will, with the assistance of its Disclosure Counsel (defined below) and the Municipal Advisor, cause to be prepared a form of Official Statement 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 for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. The above recitals are true and correct.
2. Determination of Savings. The Successor Agency hereby determines 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 Outstanding Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.
3. Approval of Issuance of the Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.
4. 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 of the City of Madera, as Chair of the Successor Agency, the Executive Director, as the chief administrative officer of the Successor Agency, the Director of Financial Services of the City, as the Finance Director/Treasurer of the Successor Agency, the City Attorney of the City, as the general counsel of the Successor Agency, or the written designee of any such officer (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Secretary 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 (including with respect to bond and reserve insurance) 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.

5. Approval of Refunding Instructions. The form of the Refunding Instructions on file with the Successor Agency are 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 Refunding Instructions with such changes therein, deletions therefrom and additions thereto as determined necessary by an Authorized Officer. Additionally, the Authorized Officers are approved to reconstitute the instructions into an escrow agreement and execute such agreement if Bond Counsel advises such format would be in the best interests of the Successor Agency. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

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

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 Refunded Outstanding Bonds, 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 Madera County Auditor-Controller 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 34181(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. Continuing costs such as continuing disclosure and rating agency costs (each a "Continuing Cost of Issuance") shall be placed on the Recognized Obligation Payment Schedule for

determination by the Department of Finance as to whether such Continuing Cost of Issuance should be paid out of the administrative expense allowance or constitute a separate enforceable obligation. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of any 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 with respect to the Refunding Bonds from property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

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

9. Sale of Refunding Bonds. The Successor Agency hereby approves the sale of the Refunding Bonds by the Successor Agency to the Underwriter pursuant to the terms of a bond purchase agreement (the "Purchase Contract") to be entered into with the Underwriter. 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 will, with the assistance its Bond Counsel and the Municipal Advisor, work with the Underwriter to prepare a form of the Purchase Contract, the preliminary form of which will be submitted to the Successor Agency for approval. The Underwriter's discount (not including original issue discount) may not exceed .0021% of the principal amount of the Refunding Bonds.

10. 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 Outstanding 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 further approval of the Successor Agency or the Oversight Board, provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

11. 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 and the Underwriter, 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.

12. Approval 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 will, with the assistance its Disclosure Counsel and the Municipal Advisor, cause to be prepared a form of Official Statement 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 for approval for distribution by the underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds.

13. Professional Services. The Authorized Officers are hereby authorized to retain, in connection with the issuance of the Refunding Bonds, Del Rio Advisors, LLC, as municipal advisor, the firm of Jones Hall, A Professional Law Corporation, as bond and disclosure counsel, and the firm of Fraser & Associates, as fiscal consultant, and to execute professional services agreement with each such firm. Additionally, the selection of The Bank of New York Mellon Trust Company, N.A., as trustee for the Refunding Bonds, is hereby confirmed.

14. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency and the Commission 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 approval by the California Department of Finance, and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

15. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

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PASSED AND ADOPTED by the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera this \_\_\_\_ day of \_\_\_\_\_, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Andrew J. Medellin, Mayor

ATTEST:

\_\_\_\_\_  
Claudia Mendoza, Recording Secretary

Approved as to Legal Form:

\_\_\_\_\_  
J. Brent Richardson, General Counsel



Successor Agency to the Madera Redevelopment Agency  
Refunding Tax Allocation Bonds  
Series 2018A and Series 2018 B (Federally Taxable)

Refunding Plan and Saving Analysis

Successor Agency Board Meeting  
March 14, 2018

Prepared by:  Del Rio Advisors, LLC

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# Obligations To Be Refunded

Issue	Original Amount	Outstanding Amount	Final Maturity	Call Date	Remaining Interest Rates
1998 Tax Allocation Redevelopment Project Bonds <sup>(1)</sup>	\$7,440,000	\$5,415,000	9/1/2028	In Whole On Any Date @ 100%	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds <sup>(2)</sup>	\$19,495,000	\$13,350,000	9/1/2033	In Whole On Any Date @ 100%	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A <sup>(3)</sup>	\$25,455,000	\$22,260,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B <sup>(4)</sup>	\$4,000,000	\$3,320,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%

## Notes

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

# Refunding Plan

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- Refund all the outstanding obligations for significant economic savings
- Refund a portion of the Series 2008 and Series 2008B as federally taxable
- Security for the bonds will be a gross pledge of RPTTF revenues
- Seek an investment grade rating, bond insurance and a surety for the reserve fund
- If the Agency Board approves moving forward this evening, the remaining steps for formal approval are as follows:
  - Transaction moved to the Oversight Board for review
  - If Oversight Board approves the refunding, moves the documentation to:
    - Madera County Administrative Officer
    - Madera County Auditor-Controller
    - State of California Department of Finance (“DoF”)
  - DoF has five (5) days to reply that they will review the refunding and sixty (60) days to reply with formal approval / denial
  - Disclosure Counsel prepares the official statement
  - Agency Board approves the official statement



# Estimated Refunding Summary (Level Savings)

---

Prior Issue	Prior Issue Par Amount	New Issue Par Amount	Total Savings <sup>(1)</sup>	NPV Savings <sup>(2)</sup>	NPV % Prior Bonds
1998	\$5,415,000	\$4,435,000	\$680,835	\$584,727	10.80%
2003	\$13,350,000	\$11,825,000	\$1,635,312	\$1,257,181	9.42%
2008A	\$22,260,000	\$19,085,000	\$5,567,988	\$3,913,634	17.58%
2008B	\$3,320,000	\$2,845,000	\$753,819	\$552,366	16.64%
Totals	\$44,345,000	\$38,190,000	\$8,637,954	\$6,307,908	14.22%

**Notes**

- (1) Assumes interest rates as of March 5, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund
- (2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

# Estimated Net Cash Flow Savings (Level Savings)<sup>(\*)</sup>

ROPs Year	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Total
2019	-5,505.75	-17,625.83	57,054.83	6,744.58	40,667.83
2020	79,152.49	109,450.00	284,118.88	36,908.01	509,629.38
2021	75,352.49	111,250.00	291,700.13	40,276.75	518,579.37
2022	77,596.24	110,050.00	283,743.88	38,626.75	510,016.87
2023	74,683.74	107,937.50	284,987.63	36,967.38	504,576.25
2024	76,596.24	110,262.50	291,012.63	40,289.27	518,160.64
2025	75,983.74	109,256.25	287,306.38	38,676.77	511,223.14
2026	72,733.74	110,112.50	293,918.88	42,014.27	518,779.39
2027	73,083.74	111,825.00	293,618.88	40,808.03	519,335.65
2028	77,208.74	109,568.75	291,481.38	40,214.28	518,473.15
2029	3,949.37	112,225.00	294,131.38	39,601.77	449,907.52
2030		109,375.00	296,437.63	38,964.27	444,776.90
2031		111,000.00	293,525.13	38,308.03	442,833.16
2032		109,875.00	292,737.63	40,954.90	443,567.53
2033		108,000.00	295,665.76	38,336.14	442,001.90
2034		112,750.00	294,915.76	41,998.64	449,664.40
2035			280,772.00	39,073.65	319,845.65
2036			286,453.25	39,476.77	325,930.02
2037			284,572.02	39,598.65	324,170.67
2038			286,375.15	36,855.89	323,231.04
2039			3,459.07	-875.71	2,583.36
	680,834.78	1,635,311.67	5,567,988.28	753,819.09	8,637,953.82

(\*) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

# HSC 34177.5(a) Compliance (Level Savings)

---

**34177.5 (a)(1) For the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that:**

**(A) 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**

Prior Bonds Total Principal and Interest	\$69,212,626
Less: Refunding Bonds Total Principal and Interest	(\$56,824,724)
Gross Savings	<u>\$12,387,901</u>
Less: Prior Issue Reserve Fund Adjustment	(\$2,926,790)
Total Net Savings	<u>\$9,461,111</u>

**(B) 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**

The refunding is only providing sufficient funds to defease the refunding bonds, pay related costs of issuance (including purchasing bond insurance and purchasing a surety for the reserve fund)

# Estimated Refunding Summary (Accelerated Savings)

---

Prior Issue	Prior Issue Par Amount	New Issue Par Amount	Total Savings (*)	NPV Savings(*)	NPV % Prior Bonds(*)
1998	\$5,415,000	\$4,410,000	\$624,288	\$581,921	10.75%
2003	\$13,350,000	\$11,730,000	\$1,309,551	\$1,235,146	9.25%
2008A	\$22,260,000	\$19,105,000	\$4,184,548	\$3,661,511	16.45%
2008B	\$3,320,000	\$2,860,000	\$557,311	\$500,851	15.09%
Totals	\$44,345,000	\$38,105,000	\$6,675,698	\$5,979,429	13.48%

**Notes**

- (1) Assumes interest rates as of March 5, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund
- (2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

# Estimated Net Cash Flow Savings (Accelerated Savings)<sup>(\*)</sup>

ROPs Year	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Combined
2019	-7,302.41	-27,523.54	33,545.76	3,423.96	2,143.77
2020	195,152.49	767,225.00	746,168.88	135,420.51	1,843,966.88
2021	197,552.49	533,025.00	750,356.38	126,170.50	1,607,104.37
2022	194,596.24	3,825.00	747,293.88	111,939.25	1,057,654.37
2023	34,583.74	4,112.50	697,700.13	112,598.63	848,995.00
2024	3,196.24	3,937.50	614,006.38	34,651.77	655,791.89
2025	83.74	631.25	571,493.88	3,514.27	575,723.14
2026	-566.26	4,287.50	456.38	-2,285.73	1,891.89
2027	2,708.74	4,275.00	-2,034.24	2,451.78	7,401.28
2028	333.74	893.75	-1,862.36	2,714.28	2,079.41
2029	3,949.37	2,675.00	-1,524.86	2,976.77	8,076.28
2030		4,075.00	3,993.89	3,251.77	11,320.66
2031		200.00	-168.61	-1,354.47	-1,323.08
2032		7,912.50	2,787.64	2,486.15	13,186.29
2033			-115.48	5,936.14	5,820.66
2034			4,034.52	5,623.64	9,658.16
2035			684.51	-963.85	-279.34
2036			3,290.76	964.27	4,255.03
2037			3,781.40	7,517.40	11,298.80
2038			6,900.15	1,149.64	8,049.79
2039			3,759.07	-875.71	2,883.36
	624,288.12	1,309,551.46	4,184,548.06	557,310.97	6,675,698.61

(\*) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

# HSC 34177.5(a) Compliance (Accelerated Savings)

---

**34177.5 (a)(1) For the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that:**

**(A) 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**

Prior Bonds Total Principal and Interest	\$69,212,626
Less: Refunding Bonds Total Principal and Interest	(\$58,786,980)
Gross Savings	\$10,425,646
Less: Prior Issue Reserve Fund Adjustment	(\$2,926,790)
Total Net Savings	\$7,498,856

**(B) 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**

The refunding is only providing sufficient funds to defease the refunding bonds, pay related costs of issuance (including purchasing bond insurance and purchasing a surety for the reserve fund)

# Tentative Financing Schedule

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Date	Item
Wednesday, March 14, 2018	Successor Agency Reviews Documentation (Moves Item to Oversight Board)
Monday March 14, 2018	Oversight Board Reviews Documentation (Moves Item to DoF)
April 2018	Fiscal Consultant's Report Preliminary Official Statement
Wednesday, May 9, 2018	Successor Agency Meeting (Approve POS)
May 2018	DoF Approval Deadline Rating Released Bond Insurance Commitment
June 2018	Print and Post POS Price Bonds Execute Final Documents
July 2018	Pre-Closing Closing and Transfer of Funds

# Financing Team

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- Agency Staff: Bob Wilson, Executive Director  
Tim Przybyla, Treasurer  
J. Brent Richardson, Agency Counsel
- Bond/Disclosure Counsel: Jones Hall
- Underwriter: Brandis Tallman LLC
- Municipal Advisor: Del Rio Advisors, LLC
- Trustee / Escrow Agent: BNY Mellon Trust Co., N.A.



**INDENTURE OF TRUST**

Dated as of \_\_\_\_\_, 2018

by and between the

**SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY**

and

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

Relating to

**\$ \_\_\_\_\_  
Successor Agency to the Former Madera Redevelopment Agency  
Tax Allocation Refunding Bonds Series 2018A**

and

**\$ \_\_\_\_\_  
Successor Agency to the Former Madera Redevelopment Agency  
Tax Allocation Refunding Bonds Series 2018B (Federally Taxable)**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of \_\_\_\_\_, 2018, by and between the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public entity duly 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 Madera 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 "Community Redevelopment Law");

**WHEREAS**, a Redevelopment Plan (as defined herein) for the Downtown Madera Redevelopment Project in the City of Madera, California, was adopted in compliance with all requirements of the Community Redevelopment Law;

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, 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 Successor Agency has accepted the duties of the successor entity to the Former Agency;

**WHEREAS**, prior to the dissolution of the Former Agency, for the purpose of financing and refinancing redevelopment activities of the Former Agency, the Former Agency issued the following outstanding series of bonds (the "Refunded Bonds"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("1998 Bonds")

(ii) \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("2003 Bonds"); and

(iii) \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A and \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("2008 Bonds");

**WHEREAS**, Assembly Bill X1 26, effective June 29, 2011, codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act"), and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of certain of the authority, rights, powers, duties and obligations of the Former Agency;

**WHEREAS**, the Dissolution Act among other things, 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(a);

**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 Successor Agency to the former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A (the "Series 2018A Bonds") and Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "2018 Bonds") to provide funds to refund all of the outstanding Refunded Bonds;

**WHEREAS**, in order to provide for the authentication and delivery of the 2018 Bonds, to establish and declare the terms and conditions upon which the 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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.

"Bond" or "Bonds" means the 2018 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

"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 September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2018.

"Business Day" means a day of the year on which banks in San Francisco, 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 Madera, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2018 Bonds, the date on which the 2018 Bonds are delivered by the Trustee to the original purchaser thereof.

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

"Community Redevelopment Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

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

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, 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 Madera, a county duly organized and existing under the Constitution and laws of the State.

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

"Defeasance Obligations" means (i) cash and (ii) Federal Securities.

"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, New York, New York, and its successors and assigns.

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

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

Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

"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 Madera Redevelopment Agency, a public body corporate and politic duly organized and existing under the Community Redevelopment 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 issuance of tax allocation refunding bonds 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.

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

"Interest Payment Date" means September 1 and March 1 of each year, commencing March 1, 2019, 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.

"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).

"1998 Bonds" means the \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds.

"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 Successor Agency, 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 bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

"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 of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash (fully insured by the Federal Deposit Insurance Corporation);
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
  - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
  - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

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

(g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;

(h) deposits (including bank deposit products, time deposits, trust funds, trust accounts, interest bearing money market accounts, overnight bank deposits, interest bearing deposits, certificates of deposit (including those placed by a third party pursuant to an agreement between the Successor Agency and the Trustee)) the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks (including the Trustee or any of its affiliates) which have capital and surplus of at least \$15 million;

(i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

(j) money market mutual funds (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) rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better;

(k) "State Obligations", which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least "Aa" by Moody's and at least "AA" by S&P;

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

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's;

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

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

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

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

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase or reverse repurchase agreements with (1) any domestic bank (including the Trustee or any of its affiliates), or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P and "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P and "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; and

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

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

"Principal Corporate Trust Office" means the principal corporate trust office of the Trustee located in San Francisco, California, or such other office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture; *provided, however*, that for purposes of the transfer, registration, exchange, payment and surrender of Bonds, the term "Principal Corporate Trust Office" means the corporate trust office of the Trustee at which it conducts its corporate agency business.

"Project Area" means the project area described in the Redevelopment Plan.

"Recognized Obligation Payment Schedule" means the schedule by that name prepared in accordance with the requirements of Section 34177(l) of the California Health and Safety Code.

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

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(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 Original Project Area established by Ordinance No. 565 C.S. adopted on December 17, 1990, as amended by (i) Ordinance No. 629 C.S., adopted by the City Council on November 16, 1994 (ii) Ordinance No. 654 C.S., adopted by the City Council on April 3, 1996 (iii) Ordinance No. 700 C.S., adopted by the City Council on June 16, 1999, (iv) Ordinance No. 833 C.S., adopted by the City Council on March 19, 2008, and (v) Ordinance No. 836 C.S., adopted by the City Council on May 21, 2008, together with any other amendments thereof heretofore or hereafter duly authorized pursuant to the Community Redevelopment Law.

"Redevelopment Property Tax Trust Fund" means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the City of Madera.

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

"Refunded Bonds" means the 1998 Bonds, 2003 Bonds and the 2008 Bonds.

"Refunded Bonds Refunding Fund" means the fund by that name established in Section 3.04 hereof.

"Refunded Bonds Refunding Instructions" means those Irrevocable Refunding Instructions dated the date of issuance and delivery of the 2018 Bonds relating to the defeasance and refunding of the Refunded Bonds, executed by the Successor Agency and delivered to the Refunded Bonds Trustee.

"Refunded Bonds Trustee" means The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the 1998 Bonds and as trustee of the 2003 Bonds and 2008 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 Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

"Reserve Requirement" means, with respect to the 2018 Bonds, the lesser of (i) 10% of the original aggregate principal amount of the 2018 Bonds (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average annual debt service with respect to the 2018 Bonds or (iii) maximum annual debt service with respect to the 2018 Bonds. The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2018 Bonds by depositing the 2018 Reserve Policy in the Reserve Account.

"S&P" means Standard & Poor's Ratings Services 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 are 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 the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds and payable on the same dates as the Bonds.

"Successor Agency" means the Successor Agency to the former Madera Redevelopment Agency, a public entity duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument that 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, for each Fiscal Year, all moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5 and 33607.7 of the Law and Section 34183(a)(1) of the Dissolution Act, except to the extent such amounts are payable on a

basis subordinate to the payment of annual debt service on the 2018 Bonds or any Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act.

"Term Bonds" means (i) the [2018A Bonds] maturing on September 1, \_\_\_\_\_, September 1, \_\_\_\_\_ and September 1, \_\_\_\_\_ and (ii) any Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 7.01(e) and payable from amounts in the Sinking Account established pursuant to Section 4.03(c).

"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.

"2003 Bonds" means \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds.

"2008A Bonds" means the \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A.

"2008B Bonds" means the \$4,000,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008B.

"2008 Bonds" means the 2008A Bonds and 2008B Bonds.

"2018A Bonds" means the Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A.

"2018B Bonds" means the Successor Agency to the Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable).

"2018 Bonds" means the Series 2018A Bonds and Series 2018B Bonds.

"2018 [Reserve Policy Agreement]" means the [Reserve Policy Agreement] relating to the 2018 Reserve Policy between the City and the 2018 Insurer.

"2018 Insurer" means \_\_\_\_\_, or any successor thereto or assignee thereof, as issuer of the 2018 Policy and 2018 Reserve Policy.

"2018 Policy" means the \_\_\_\_\_ [bond insurance policy] relating to the 2018 Bonds issued by the 2018 Insurer.

"2018 Reserve Policy" means the Debt Service Reserve Surety Bond relating to the 2018 Bonds issued by the 2018 Insurer.

"Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the Executive Director of the Successor Agency or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of 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 2018 Bonds. The 2018A Bonds in the aggregate principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Hundred and \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_ ) and 2018B Bonds in the aggregate principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Hundred and \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_ ) 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 2018 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, including the 2018 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2018 Bonds shall be as two series designated the "Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A" and "Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable)".

Section 2.02. Terms of 2018 Bonds. The 2018 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 2018 Bonds shall mature on September 1 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:

**Series 2018A Bonds**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
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\_\_\_\_\_  
\* Term Bond with September 1 sinking fund payments.

**Series 2018B Bonds**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
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\_\_\_\_\_  
\* Term Bond with September 1 sinking fund payments.

Interest on the 2018 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 2018 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 2018 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 2018 Bonds shall be payable in lawful money of the United States of America.

Each 2018 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 2018 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 2018 Bond, interest thereon is in default, such 2018 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 2018 Bonds.

(a) Optional Redemption. (i) *2018A Bonds Optional Redemption.* The 2018A Bonds maturing on or before September 1, \_\_\_\_\_ are not subject to optional redemption prior to maturity. The 2018 Bonds maturing on and after September 1, \_\_\_\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, \_\_\_\_\_, 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 2018 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(ii) *2018B Bonds Optional Redemption.* The 2018B Bonds are not subject to optional redemption prior to maturity.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2018 Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty-five (45) days prior to the date fixed for such redemption (or such later date as is acceptable to the Trustee).

(b) Mandatory Sinking Fund Redemption. The 2018A Bonds that are Term Bonds shall be subject to mandatory redemption in whole, or in part by lot, on September 1, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium; provided however, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (ii) if some but not all of such Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee) and shall include a revised sinking fund schedule.

**2018A Term Bond Maturing September 1, \_\_\_\_\_**

Date

Sinking Fund Payment

**2018A Term Bond Maturing September 1, \_\_\_\_\_**

Date

Sinking Fund Payment

[add 2018B Term Bonds if applicable]

(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 twenty (20) but not more than forty-five (45) days prior to the redemption date, to (i) to the Owners of any 2018 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 2018 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 2018 Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all 2018 Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such 2018 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 2018 Bonds will not accrue from and after the redemption date.

The Successor Agency may provide notice to owners of the 2018 Bonds that it intends to redeem the 2018 Bonds on an optional basis, but that the redemption is subject to there being sufficient funds for that purpose. The Successor Agency has the right to rescind any notice of the optional redemption of 2018 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 2018 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 2018 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 2018 Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of 2018 Bonds. In the event only a portion of any 2018 Bond is called for redemption, then upon surrender of such 2018 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 2018 Bond or 2018 Bonds of the same interest rate and maturity,

of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2018 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 2018 Bonds so called for redemption shall have been duly deposited with the Trustee, such 2018 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 2018 Bonds or portions thereof are to be selected for redemption by lot within a maturity, 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 2018 Bonds are no longer held in book-entry form. All 2018 Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(g) Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the preceding sub-paragraph (b) or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account or Sinking Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 15 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to subsection (d) on September 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 15. In no event shall the Successor Agency purchase any Term Bonds in lieu of redemption without canceling such Term Bonds.

Section 2.04. Form of 2018 Bonds. The 2018 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of 2018 Bonds. The 2018 Bonds shall be executed on behalf of the Successor Agency by the signature of the Executive Director, as the chief administrative officer of the Successor Agency, or the of of Director of Financial Services of the City, as the Finance Director/Treasurer of the Successor Agency, who is in office on the date of execution and delivery of this Indenture or at any time thereafter. Such signature may be made manually or may be affixed by facsimile thereof. The 2018 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2018 Bond ceases to be such officer before delivery of the 2018 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2018 Bonds to the purchaser. Any 2018 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 2018 Bond shall be the proper officers of the Successor Agency although on the date of such 2018 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2018 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such 2018 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2018 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2018 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 2018 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2018 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 fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for 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 fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

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

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by

the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the 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 and the Trustee 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.



(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 2018 BONDS

Section 3.01. Issuance of 2018 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall issue and deliver 2018 Bonds to the Trustee in the aggregate principal amount of \$\_\_\_\_\_ and the Trustee shall authenticate and deliver the 2018 Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date the proceeds of sale of the 2018 Bonds shall be paid to the Trustee in the amount of \$\_\_\_\_\_, which is equal to (i) the purchase price of the 2018A Bonds of \$\_\_\_\_\_ (being the aggregate principal amount of the 2018A Bonds, plus a net original issue premium in the amount of \$\_\_\_\_\_, less an underwriter's discount in the amount of \$\_\_\_\_\_), less the premium for the 2018 Reserve Policy allocable to the 2018A Bonds in the amount of \$\_\_\_\_\_, which shall be paid directly by the Underwriter to the 2018 Insurer, and (ii) the purchase price of the 2018B Bonds of \$\_\_\_\_\_ (being the aggregate principal amount of the 2018B Bonds, plus a net original issue premium in the amount of \$\_\_\_\_\_, less an underwriter's discount in the amount of \$\_\_\_\_\_), less the premium for the 2018 Reserve Policy allocable to the 2018B Bonds in the amount of \$\_\_\_\_\_, which shall be paid directly by the Underwriter to the 2018 Insurer. The Trustee shall apply the proceeds described in the previous sentence as follows:

(a) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Bond Proceeds Fund and shall immediately transfer such amount to the Costs of Issuance Account.

(b) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Bond Proceeds Fund and shall immediately transfer such amount to the Refunded Bonds Refunding Fund.

In addition, the Trustee shall credit the 2018 Reserve Policy to the Reserve Account.

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 fund. On the date which is four (4) 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 the Trustee shall close the Costs of Issuance Account.

Section 3.04. Refunded Bonds Refunding Fund. There is hereby created the Refunded Bonds Refunding Fund held by the Trustee in trust for the benefit of the Successor Agency. The Trustee shall transfer all moneys on deposit in the Refunded Bonds Refunding Fund to

Refunded Bonds Trustee, for deposit and application under and pursuant to the Refunded Bonds Refunding Instructions. Upon making such transfer, the Refunded Bonds Refunding Fund shall be closed.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the 2018 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 and 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 2018 Bonds shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys and assets in the Reserve Account established by Section 4.03(d).

The 2018 Bonds and any Parity Debt 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 the Tax Revenues 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.

The City hereby transfers, places a charge upon, assigns and sets over to the 2018 Insurer that portion of the Tax Revenues that is necessary in any Fiscal Year to pay the 2018 Insurer any amounts owed to the 2018 Insurer under the 2018 Policy and 2018 [Reserve Policy Agreement]. The pledge described in the preceding sentence shall constitute a charge and lien on the Tax Revenues subject only to the lien granted to the Trustee, for the benefit of the Owners of the Bonds issued hereunder, and the lien granted to the owners of any other Parity Debt.

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.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental 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. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

(b) Principal Account. On or before the fifth (5th) Business Day preceding each September 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Bonds and any Parity Debt. 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 fifth (5th) Business Day preceding each September 1 on which any Term Bond becomes subject to mandatory sinking account redemption, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for 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 September 1. No such deposit need be made to the Sinking Account if the amount

contained therein is at least equal to the Sinking Account payments to become due on the next September 1 on all of the Outstanding Bonds. 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 Section 2.03(b).

(d) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency with respect to the 2018 Bonds pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2018 Bonds. The Reserve Requirement for each series of the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Insurer on the Closing Date, which policy shall be proportionately allocated to each series. The provisions governing the administration of the 2018 Reserve Policy are set forth in the 2018 [Reserve Policy Agreement]. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, amounts are not available under the 2018 Reserve Policy.

From time to time, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account the amount required to pay the 2018 Insurer any amounts owed by the Successor Agency to the 2018 Insurer under the 2018 [Reserve Policy Agreement].

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the 2018 Bonds then Outstanding.

The Trustee shall comply with the terms of the 2018 Reserve Policy and the 2018 [Reserve Policy Agreement] as shall be required to receive payments thereunder in the event and to the extent required under this subsection (d).

Section 4.04 details the procedures for making claims under the 2018 Reserve Policy.

(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.

[to come from insurer]

## ARTICLE V

### OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture 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 covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien under this Indenture. The Successor Agency may issue Parity Debt to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) annual debt service on such Parity Debt, as applicable, is lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, (iv) principal payments shall be on September 1 and interest payments on March 1 and September 1, and (v) prior to the issuance of any Parity Debt, the Successor Agency shall use commercially reasonable efforts, to the extent permitted by law, to subordinate all amounts, if any, payable to a taxing entity pursuant to Section 33607.5 and 33607.7 to the payment of debt service on such Parity Debt. Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt.

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. Within one

hundred eighty (180) 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.

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 2018 Bonds, the 2018 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) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Bond Year (i) debt service on the Bonds and (ii) all amounts due and owing to the 2018 Insurer hereunder, so as to enable the Madera County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended, as well as all amounts due and owing to the 2018 Insurer hereunder.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2018 Insurer hereunder on a timely basis, the Successor Agency shall, for so long as any Bonds are outstanding, the Successor Agency shall submit an Recognized Obligation Payment Schedule meeting the requirements of the Dissolution Act to the State Department of Finance and to the Madera County Auditor-Controller that shall include annual distribution to the Successor Agency of an amount sufficient to pay all of the debt service coming due during the period applicable to the respective annual distributions, and an amount sufficient to all amounts due and owing to the 2018 Insurer hereunder.

In addition to the amounts described above, if the amount of Tax Revenues distributed to the Successor Agency is less than the sum of the amounts specified above or required to be paid pursuant to the 2018 Bonds or this Indenture, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule or amendment thereto to the State Department of Finance and to the Madera County Auditor-Controller that shall include the balance due to the Successor Agency or balance of the amount needed to pay the amounts specified above or required to be paid pursuant to the 2018 Bonds or this Indenture, which amount shall be requested to be distributed in full to the Successor Agency at the next opportunity allowed by the Dissolution Act.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2018 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than the debt service due on September 1 on all Outstanding Bonds prior to September 1 of such Bond Year, and (ii) all of the debt service due on March 1 on all Outstanding Bonds prior to the next succeeding March 1.

Section 5.09. 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 ensure 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 5.10. 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 2018A 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 2018A Bonds would have caused the 2018A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2018A Bonds are not so used as to cause the 2018A 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 5.12. 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 2018A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.13. 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 2018A Bonds.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2018A Bonds from the gross



income of the Owners of the 2018A 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 2018A Bonds.

Section 5.15. 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 2018 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 5.15.

Section 5.16. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 5.17. Provisions Relating to the 2018 Insurance Policy and the 2018 Reserve Policy. [[[to come from insurer...]]]

## 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 with thirty (30) days' notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (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 at least 30 days' written notice of such removal 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 retiring 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 bank, national banking association or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (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 2018 Insurer or 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 enforced delay ("unavoidable 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 have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that the directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without

limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of the proceeds of the Bonds or 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.

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). When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account 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 moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. 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, at no additional cost, 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. Trustee shall be deemed to have complied with such valuation through use of its pricing service as reflected on its trust accounting statements.

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 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 reflect the issuance of Parity Debt or 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, as such issuance is authorized by Section 5.02.

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 sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time, which period shall last no longer than one hundred eighty (180) days after the delivery of the written notice of default to the Successor Agency; 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 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) with respect to Events of Default pursuant to 8.01(a) or (c), 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 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 or Event of Default. 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, or upon the occurrence, and during the continuance, of an Event of Default hereunder, 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; and

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

Third, to the payment of all amounts due and owing to the 2018 Insurer hereunder.

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.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

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

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

The right of any Owner of any Bond to receive payment of the principal of and 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 2018 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 2018 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 holder, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or a portion of Outstanding Bonds, including all principal and interest, or;

(iii) by irrevocably depositing with the Trustee or an escrow holder, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine in a writing delivered to the Trustee 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; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be so owned or held shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered outstanding for the purpose of 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 of or



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 (without liability for interest) 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.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by the chief administrative officer of the Successor Agency, and attested by the Secretary of the Governing Board, 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 FORMER  
MADERA REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Bob Wilson  
Executive Director

ATTEST:

\_\_\_\_\_  
Claudia Mendoza  
Recording Secretary

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

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



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 Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Hundred \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, 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 \_\_\_\_\_, 2018, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the 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 refund its Refunded Bonds (as 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. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

[[The 2018A Bonds maturing on or before September 1, \_\_\_\_\_ are not subject to optional redemption prior to maturity. The 2018 Bonds maturing on and after September 1, \_\_\_\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, \_\_\_\_\_, 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 2018 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.]]

[[The 2018B Bonds are not subject to optional redemption prior to maturity.]]

[The 2018A Bonds that are Term Bonds shall be subject to mandatory redemption in whole, or in part by lot, on September 1 and March 1, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium; provided however, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (ii) if some but not all of such Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee) and shall include a revised sinking fund schedule.]

**2018A Term Bond Maturing September 1, \_\_\_\_\_**

Date

Sinking Fund Payment

**2018A Term Bond Maturing September 1, \_\_\_\_\_**

Date

Sinking Fund Payment

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

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 fifteen (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 County of Madera, the State of California, or any of its political subdivisions, and neither 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 former Madera Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief administrative officer and attested by the Secretary of the Governing Board, as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE FORMER  
MADERA REDEVELOPMENT AGENCY

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

ATTEST:

\_\_\_\_\_  
Secretary, Governing Board

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]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or Tax Regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust.) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____	(State)
COMM PROP --	as community property		

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE

(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**

**DEBT SERVICE PAYMENT SCHEDULE**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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## Attachment D

### IRREVOCABLE REFUNDING INSTRUCTIONS Relating to

**\$7,440,000**  
**Madera Redevelopment Agency**  
**1998 Tax Allocation Redevelopment Project**  
**Bonds**

**\$19,495,000**  
**Madera Redevelopment Agency**  
**2003 Tax Allocation Refunding and**  
**Redevelopment Project Bonds**

**\$25,455,000**  
**Madera Redevelopment Agency**  
**Subordinate Tax Allocation Bonds, Series**  
**2008A**

**\$4,000,000**  
**Madera Redevelopment Agency**  
**Housing Set-Aside Subordinate Tax Allocation**  
**Bonds, Series 2008B**

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "**Instructions**") are given by the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the "**Successor Agency**"), as successor agency to the former MADERA REDEVELOPMENT AGENCY (the "**Former Agency**"), to 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 defined Prior Bonds (the "**Prior Trustee**");

#### **WITNESSETH:**

**WHEREAS**, the Former Agency previously issued the following bonds (the "**Prior Bonds**"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("**1998 Bonds**") pursuant to a Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998 (together, the "**1998 Resolution**"); the Prior Trustee serves as as fiscal agent for the 1998 Bonds. The 1998 Bonds were issued to finance redevelopment projects, pay costs of issuance and establish a reserve fund;

(ii) its \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("**2003 Bonds**") pursuant to the 1998 Resolution, as amended and supplemented by a Second Supplemental Resolution adopted on October 8, 2003 (collectively with the 1998 Resolution, the "**Prior Resolution**"), which resolution appointed the Prior Trustee as fiscal agent for the 2003 Bonds. The 2003 Bonds were issued to refund bonds issued in 1993, pay costs of issuance and establish a reserve fund;

(iii) its \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A ("**2008A Bonds**") pursuant to an Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "**2008A Indenture**"); and

(iv) its \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("**2008B Bonds**" and together with the 2008A Bonds, the "**2008 Bonds**") pursuant to an Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "**2008B**

**Indenture**; together with the 2008A Indenture, the "**2008 Indentures**") by and between the Former Agency and the Prior Trustee. The 2008A Bonds were issued to finance redevelopment projects, pay costs of issuance and establish a reserve fund; the 2008B Bonds were issued to finance certain low- and moderate-income housing activities of the Former Agency, pay costs of issuance and establish a reserve fund.

**WHEREAS**, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, *et.seq.*) and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 ("**AB 26**"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the 2003 Indentures and related documents to which the Former Agency was a party.

**WHEREAS**, the Successor Agency has determined that it is in its best financial interests at this time to refund the currently outstanding Prior Bonds.

**WHEREAS**, in order to provide funds for such purpose (among others), the Successor Agency is issuing its Successor Agency to the Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds, Series 2018A and 2018 Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (together, the "**2018 Bonds**") pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2018 (the "**2018 Indenture**"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**2018 Trustee**"), and applying a portion of the proceeds thereof, together with certain other moneys, to redeem the outstanding [[1998 Bonds and 2003 Bonds on \_\_\_\_\_, 2018, and to call the 2008A Bonds and 2008B Bonds on September 1, 2018]].

**WHEREAS**, the Successor Agency wishes to give these Instructions to the Prior Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys and securities to provide for (i) the defeasance, payment and redemption of all of the outstanding 1998 Bonds pursuant to Section \_\_\_\_\_ of the 1998 Resolution and all of the 2003 Bonds pursuant to Section \_\_\_\_\_ of the Prior Resolution and (ii) the defeasance, payment and redemption of all of the outstanding 2008 Bonds pursuant to Section \_\_\_\_\_ of the 2008 Indentures.

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

**Section 1. Redemption Fund.** (a) Pursuant to the Prior Resolution, there has heretofore been established a fund held by the Prior Trustee known as the "Redemption Fund" (the "**Redemption Fund**"), which shall serve as a Redemption Fund for the 1998 Bonds and the 2003 Bonds. All cash and securities deposited in the Redemption Fund pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of the remaining 1998 Bonds and the 2003 Bonds on September 1, 2018, in accordance with the Prior Resolution. The Prior Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Prior Bonds Redemption Fund, and such amounts shall be applied only as provided herein.



(b) Pursuant to Section \_\_\_\_\_ of the 2008 Indentures, there has heretofore been established a fund held by the Prior Trustee known as the "Special Fund" (the "**Special Fund**"), within which the Prior Trustee shall establish a Refunding Account to serve as a redemption source for the 2008 Bonds. All cash and securities deposited in the Refunding Account pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of the remaining 2008 Bonds on September 1, 2018, in accordance with the 2008 Indentures. The Prior Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Refunding Account, and such amounts shall be applied only as provided herein.

**Section 2. Deposit into Redemption Funds; Investment of Amounts.**

(a) Concurrently with delivery of the 2018 Bonds, the Successor Agency shall cause to be transferred to the Prior Trustee from the Prior Bonds Refunding Fund established under the 2018 Indenture the amount of \$\_\_\_\_\_ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Bonds, which amount the Prior Trustee shall deposit into the Prior Bonds Redemption Fund.

(b) On \_\_\_\_\_, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 1998 Bonds (\$\_\_\_\_\_) into the Redemption Fund.

(c) On \_\_\_\_\_, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2003 Bonds (\$\_\_\_\_\_) into the Redemption Fund.

(d) On \_\_\_\_\_, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2008 Bonds (\$\_\_\_\_\_) into the Refunding Account.

(e) Amounts on deposit in the Redemption Fund and Refunding Account shall be held uninvested [or...shall be invested as set forth in Exhibit \_\_\_\_].

(e) The Successor Agency hereby confirms that by making the deposits described in this Section 2, it is discharging the 1998 Bonds and 2003 Bonds pursuant to the Prior Resolution and discharging the 2008 Bonds pursuant to the 2008 Indentures.

**Section 3. Proceedings for Redemption of Prior Bonds.** The Successor Agency hereby irrevocably elects, and directs the Prior Trustee, to redeem, on September 1, 2018, the outstanding Prior Bonds. The Prior Trustee acknowledges that it shall give notice of such redemption in accordance with the Prior Resolution and the 2008 Indentures.

The Prior Trustee is hereby directed to give notice of defeasance of the Prior Bonds in substantially the form of Exhibit A on the date of delivery of the 2018 Bonds.

**Section 4. Application of Funds to Redeem Prior Bonds.** The Prior Trustee shall redeem the remaining outstanding Prior Bonds on September 1, 2018 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon.

**Section 5. Transfer of Remaining Funds.** On September 1, 2018, following the payment and redemption of the Prior Bonds as described in Sections 3 and 4, the Prior Trustee shall withdraw any amounts remaining on deposit in the Redemption Fund and Refunding

Account and transfer such amounts to the 2018 Trustee for deposit into the Debt Service Fund established under the 2018 Indenture to be used to pay interest on the 2018 Bonds.

The wire instructions to be used by the Prior Trustee to send any moneys to the 2018 Trustee are set forth below:

Bank: Bank of New York Mellon Trust Company  
ABA:  
Account Number: \_\_\_\_\_  
Account Name: Madera TARB 2018 Debt Service Fd  
Attention: \_\_\_\_\_

**Section 6. Amendment.** These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Prior Trustee and the 2018 Trustee a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds held hereunder to make the payments required by Section 4.

**Section 7. Governing Law.** These Instructions shall be construed in accordance with and governed by the laws of the State of California.

Dated: \_\_\_\_\_, 2018

SUCCESSOR AGENCY TO THE FORMER  
MADERA REDEVELOPMENT AGENCY

By \_\_\_\_\_  
Bob Wilson  
Executive Director

ACCEPTED:

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

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

**EXHIBIT A**

**FORM OF NOTICE OF DEFEASANCE**

**\$7,440,000**

**Madera Redevelopment Agency  
1998 Tax Allocation Redevelopment Bonds**

**Date of Issuance: October 28, 1998**

<u>Maturity Date</u>	<u>Initial Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No. 556444</u>
[2018	\$860,000.00	4.55%	BK2]
2023	\$860,000.00	4.750%	BL0
2028	\$4,405,000.00	4.950	BM8

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998 (together, the "1998 Resolution"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as fiscal agent for the Bonds ("Fiscal Agent"). As a consequence of the foregoing actions and in accordance with the 1998 Resolution, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

\*The Successor Agency and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

**Dated: \_\_\_\_\_, 2018**

**The Bank of New York Mellon  
Trust Company, N.A.,  
as Fiscal Agent**

**\$19,495,000**  
**Madera Redevelopment Agency**  
**2003 Tax Allocation Refunding and Redevelopment Project Bonds**

**Date of Issuance: October 30, 2003**

<u>Maturity Date</u>	<u>Initial Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
2019	\$690,000.00	5.000%	
2020	720,000.00	4.625	
2021	760,000.00	4.750	
2022	790,000.00	4.750	
2028	2,290,000.00	4.750	
2033	7,440,000.00	5.000	

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998, and as amended and supplemented by a Second Supplemental Resolution adopted on October 8, 2003 (collectively the "2003 Resolution"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as fiscal agent for the Bonds ("Fiscal Agent"). As a consequence of the foregoing actions and in accordance with the 2003 Resolution, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

\*The Successor Agency and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

**Dated: \_\_\_\_\_, 2018**

**The Bank of New York Mellon  
Trust Company, N.A.,  
as Fiscal Agent**

**\$25,455,000**  
**Madera Redevelopment Agency**  
**Subordinate Tax Allocation Bonds, Series**  
**2008A**

**\$4,000,000**  
**Madera Redevelopment Agency**  
**Subordinate Tax Allocation Bonds, Series**  
**2008B**

**Date of Issuance: September 10, 2008**

**Series 2008A Bonds**

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>*CUSIP</u> <u>No.</u>
2020	\$1,355,000.00	4.500%	556444CU9
2023	1,565,000.00	5.000	556444CX3
2024	575,000.00	5.000	556444CY1
2025	605,000.00	5.000	556444CZ8
2030	3,550,000.00	5.250	556444DE4
2038	14,610,000.00	5.375	556444DN4

**Series 2008B Bonds**

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>*CUSIP</u> <u>No.</u>
2020	285,000.00	4.500%	556444EA1
2023	330,000.00	4.750	556444ED5
2030	1,000,000.00	5.250	556444EL7
2038	1,705,000.00	5.375	556444EU7

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of (i) as to the Series 2008A Bonds, the Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "2008A Indenture") (i), and (ii) as to the Series 2008B Bonds, the Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "2008B Indenture"; and together with the 2008A Indenture, the "2008 Indentures"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee for the Bonds ("Trustee"). As a consequence of the foregoing actions and in accordance with the Indenture, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

\*The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: \_\_\_\_\_, 2018

**The Bank of New York Mellon  
Trust Company, N.A.,  
as Fiscal Agent**