

**\$10,625,000**  
**YUCCA VALLEY REDEVELOPMENT AGENCY**  
**(Yucca Valley Redevelopment Project No. 1)**  
**Tax Allocation Bonds, Series 2008**

**CERTIFICATE REGARDING USE OF PROCEEDS**

The undersigned hereby states and certifies as follows:

(i) that the undersigned is the Treasurer of the Yucca Valley Redevelopment Agency (the "Agency"), is authorized to execute this certificate on behalf of the Agency and is knowledgeable with respect to the matters set forth herein;

(ii) that pursuant to an Indenture of Trust, dated as of May 1, 2008 (the "Indenture"), between The Bank of New York Trust Company, N.A., as trustee (the "Trustee") and the Agency, the Agency is issuing on the date hereof its \$10,625,000 principal amount of Yucca Valley Redevelopment Agency (Yucca Valley Redevelopment Project No. 1) Tax Allocation Bonds, Series 2008 (the "Bonds");

(iii) that of the proceeds of the Bonds received by the Trustee on the date hereof, the Trustee will, pursuant to the Indenture, (a) transfer \$1,304,254.94 to The Bank of New York Trust Company, N.A., as escrow bank (the "Escrow Bank"), to be used to refund on a current basis the Agency's Yucca Valley Redevelopment Project Area Tax Allocation Bonds, Series 1995 (the "1995 Bonds"), (b) transfer \$2,620,305.70 to the Escrow Bank to be used to refund on an advanced basis the Agency's (Yucca Valley Redevelopment Project Area No. 1) Tax Allocation Bonds, Series 2004 (the "2004 Bonds"), and (c) transfer \$5,500,000.00 to the Agency for deposit into a segregated account within the Redevelopment Fund (the "Redevelopment Fund");

(iv) that the proceeds of the Bonds deposited in the Redevelopment Fund will be used to finance various projects (the "2008 Project"), as more particularly described in Part I of Exhibit A hereto attached and by this reference herein incorporated;

(v) that the net proceeds of the 1995 Bonds were used to finance various projects (the "1995 Project"), as more particularly described in Part I of Exhibit B hereto attached and by this reference herein incorporated;

(vi) that Part II of Exhibit B hereto attached describes (A) each use made of the 1995 Project by any person in a trade or business (excluding use by the Agency and other non-federal governmental units and use as a member of the public generally), and (B) payments (if any) directly or indirectly in respect of such use which are to be made after the date hereof;

(vii) that the net proceeds of the 2004 Bonds were used to finance various projects (the "2004 Project"), as more particularly described in Part I of Exhibit C hereto attached and by this reference herein incorporated;

(viii) that Part II of Exhibit C hereto attached describes (A) each use made of the 2004 Project by any person in a trade or business (excluding use by the Agency and other non-federal governmental units and use as a member of the public generally), and (B) payments (if any) directly or indirectly in respect of such use which are to be made after the date hereof;

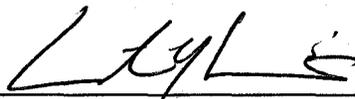
(ix) that no portion of the proceeds of the 1995 Bonds or the 2004 Bonds were, and no portion of the proceeds of the Bonds will be, used directly or indirectly to make or finance a loan to any person (other than a State or local government unit) or to acquire property which was or will be sold to any person on an installment sale basis;

(x) that the above statements are made on the basis of the facts, estimates and circumstances in existence on the date hereof and the undersigned has exercised due diligence to assure that all material facts, estimates and circumstances relating to the above statements were made available to the undersigned and reviewed by the undersigned;

(xi) that to the best knowledge of the undersigned the above statements are reasonable and there are no other facts, estimates or circumstances, other than those set forth herein, that would materially affect the statements made herein; and

(xii) that the undersigned is aware that Quint & Thimmig LLP, is rendering an opinion on the date hereof substantially to the effect that the interest on the Bonds is excluded from gross income for federal income tax purposes and in rendering such opinion is relying upon the statements made herein and in Exhibits A, B and C hereto attached.

IN WITNESS WHEREOF, I have hereunto set my name this 8th day of May, 2008.

By   
Curtis Yakimow,  
Treasurer

**EXHIBIT A**

I. Description of 2008 Project

*Various redevelopment projects*

II. Description of Use of 2008 Project

A. Use by any Person Other than Governmental Units or Members of Public Generally

*None*

B. Payments to be Made after Date Hereof in Respect of Above Use

*None*

**EXHIBIT B**

I. **Description of 1995 Project**

*Various redevelopment and low and moderate income housing projects*

II. **Description of Use of 1995 Project**

A. **Use by any Person Other than Governmental Units or Members of Public Generally**

*None*

B. **Payments to be Made after Date Hereof in Respect of Above Use**

*None*

**EXHIBIT C**

I. **Description of 2004 Project**

*Various redevelopment and low and moderate income housing projects*

II. **Description of Use of 2004 Project**

A. **Use by any Person Other than Governmental Units or Members of Public Generally**

*None*

B. **Payments to be Made after Date Hereof in Respect of Above Use**

*None*