

AGENDA
MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY
TUESDAY, APRIL 10, 2018, 8:00 A.M.
MESQUITE ROOM, YUCCA VALLEY COMMUNITY CENTER

The Town of Yucca Valley complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the Town Clerk's Office at 369-7209 at least 48 hours prior to the meeting.

If you wish to comment on any subject on the agenda, or any subject not on the agenda during public comments, please fill out a card and give it to the Town Clerk. The Chair will recognize you at the appropriate time. Comment time is limited to 3 minutes.

Where appropriate or deemed necessary, action may be taken on any item listed in the agenda.

OPENING CEREMONIES

CALL TO ORDER

ROLL CALL: Board Members Dunn, Flores, Marshall, Rogers, Stueckle and Chair Rowe.

One (1) at-large member- vacant

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Recommendation:

Approve the Meeting Agenda of April 10, 2018 as prepared.

Action: Move _____ 2nd _____ Roll Call Vote _____

CONSENT AGENDA

1. Approval of Meeting Minutes- January 22, 2018

Recommendation:

Approve the Meeting Minutes of January 22, 2018, as presented.

Action: Move _____ 2nd _____ Roll Call Vote _____

DEPARTMENT REPORTS

- 2. Approval of a resolution of the Oversight Board to the Successor Agency to the Former Yucca Valley Redevelopment Agency approving the issuance of refunding bonds of the Successor Agency to the Former Yucca Valley Redevelopment Agency, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS OF THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

Staff Report

Recommendation:

- Approve the Resolution approving the issuance of refunding bonds of the Successor Agency to the Former Yucca Valley Redevelopment Agency, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.
- Direct staff to deliver the Resolution to the San Bernardino County Auditor-Controller, State Controller and to the State Department of Finance for review and approval.

Action: Move _____ 2nd _____ Roll Call Vote _____

FUTURE AGENDA ITEMS

PUBLIC COMMENTS

In order to assist in the orderly and timely conduct of the meeting, the Oversight Board takes this time to consider your comments on items of concern which are on the Closed Session or not on the agenda. When you are called to speak, please state your name and community of residence. Please limit your comments to three (3) minutes or less. Inappropriate behavior which disrupts, disturbs or otherwise impedes the orderly conduct of the meeting will result in forfeiture of your public comment privileges. The Oversight Board is prohibited by State law from taking action or discussing items not included on the printed agenda.

STAFF REPORTS AND COMMENTS

BOARD MEMBER REPORTS AND COMMENTS

- Board Member Dunn
- Board Member Flores
- Board Member Marshall
- Board Member Rogers
- Board Member Rowe
- Board Member Stueckle

ANNOUNCEMENTS

ADJOURNMENT

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY
MEETING MINUTES – JANUARY 22, 2018**

Chair Rowe called the meeting to order at 8:07 a.m.

ROLL CALL

Board Members present: Flores, Rogers, Stueckle, and Chair Rowe

Board Members Dunn and Marshall were absent.

One (1) at-large member- vacant

Staff members present: Town Manager Yakimow, Finance Manager Cisneros, and Town Clerk Copeland

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Town Clerk Copeland.

APPROVAL OF AGENDA

Board Member Rogers moved to approve the meeting agenda of January 22, 2018. Board Member Flores seconded. Motion carried 4-0-0-2 on a roll call vote.

AYES:	Board Members, Flores, Rogers, Stueckle and Chair Rowe
NOES:	None
ABSTAIN:	None
ABSENT:	Board Members Dunn, and Marshall

CONSENT AGENDA

1. Approval of Meeting Minutes- January 25, 2017

Motion:

Approve the Meeting Minutes of January 25, 2017 as presented.

Chair Rowe opened public comments on the consent agenda item. With no members of the public wishing to speak, public comments were closed.

Board Member Stueckle moved to approve the Consent Agenda Item. Board Member Rogers seconded. Motion carried 4-0-0-2 on a roll call vote.

AYES: Board Members, Flores, Rogers, Stueckle and Chair Rowe
NOES: None
ABSTAIN: None
ABSENT: Board Members Dunn, and Marshall

DEPARTMENT REPORTS

3. Recognized Obligation Payment Schedule- Resolution No. OB-18-01

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (“ROPS”) PURSUANT TO HEALTH AND SAFETY CODE § 34176 AND TRANSMITTING THE ROPS TO THE NECESSARY AGENCIES

Finance Manager Cisneros presented the staff report for the ROPS with a period of July 1, 2018 through June 30, 2019. Cisneros explained that the Department of Finance has not approved the \$250,000 amount for administration costs included in the Last and Final ROPS. Since the Last and Final ROPS was not approved, an annual ROPS will need to be reviewed each time until such Last and Final is approved.

Board Member Rogers moved to adopt Resolution OB-18-01 adopting the Recognized Obligation Payment Schedule (“ROPS”) for the period of July 1, 2018 through June 30, 2019, and direct staff to post the schedule on the Town’s website and to deliver the ROPS to the San Bernardino County Auditor-Controller, State Controller, and to the State Department of Finance. Board Member Flores seconded. Motion carried 4-0-0-2 by roll call vote.

AYES: Board Members, Flores, Rogers, Stueckle and Chair Rowe
NOES: None
ABSTAIN: None
ABSENT: Board Members Dunn, and Marshall

4. FY 2018-2020 Administrative Budget Authorization; Resolution No. OB-18-02

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY OF THE TOWN OF YUCCA VALLEY, CALIFORNIA APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2018-20

Finance Manager Cisneros presented the staff report.

Chair Rowe opened public comments. With no members of the public wishing to speak, public comments were closed.

Board Member Flores moved to receive the update and adopt Resolution No, OB-18-02 approving the administrative budget for the Successor Agency for the 2018-20 fiscal years. Board Member Stueckle seconded. Motion carried 4-0-0-2 with a roll call vote.

AYES: Board Members, Flores, Rogers, Stueckle and Chair Rowe
NOES: None
ABSTAIN: None
ABSENT: Board Members Dunn, and Marshall

PUBLIC COMMENT

Chair Rowe opened public comments for items not on the agenda. With no members of the public wishing to speak, public comments were closed.

ADJOURNMENT

There being no further business, Chair Rowe adjourned the meeting at 8:28 a.m.

Respectfully submitted,

Lesley R. Copeland, CMC

Town Clerk

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
DISSOLVED YUCCA VALLEY REDEVELOPMENT AGENCY
STAFF REPORT**

To: Honorable Chair & Board Members
From: Curtis Yakimow, Town Manager

Date: April 5, 2018

For Board Meeting: April 10, 2018

Subject: Approval of a resolution of the Oversight Board to the Successor Agency to the Former Yucca Valley Redevelopment Agency approving the issuance of refunding bonds of the Successor Agency to the Former Yucca Valley Redevelopment Agency, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.

Recommendation: That the Board:

1. Approve the Resolution approving the issuance of refunding bonds of the Successor Agency to the Former Yucca Valley Redevelopment Agency, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.
2. Direct staff to deliver the Resolution to the San Bernardino County Auditor-Controller, State Controller and to the State Department of Finance for review and approval.

Order of Procedure:

Staff Report
Public Comment
Questions of Staff
Board Discussion
Board Action

Discussion:

Pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Yucca Valley 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 Yucca Valley Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency.

A redevelopment plan for the Former Agency's Yucca Valley Redevelopment Project No.1 in the Town of Yucca Valley (the "Town") has been adopted in compliance with all requirements of

the Code (the "Redevelopment Project").

Prior to the dissolution of the Former Agency, the Former Agency issued its Yucca Valley Redevelopment Agency (San Bernardino County, California) Tax Allocation Bonds, Series 2008 (the "2008 Bonds") to finance and refinance redevelopment activities within and for the benefit of the Redevelopment Project.

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

Successor Agency Action

On Tuesday, April 3, the Successor Agency authorized the issuance of the Bonds, approve the form of the Indenture an escrow agreement (the "Escrow Agreement") and a bond purchase agreement (the "Bond Purchase Agreement"). The Oversight Board is now required to approve the action of the Successor Agency with regards to the Bonds. The action of the Oversight Board will then be forwarded to the State Department of Finance (the "DOF") for approval. The DOF is allowed 65 days to review any actions of the Oversight Board to approve refunding bond issues, so the DOF would have until the third week of June 2018 to review the proposed Bonds.

Analysis

To determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds, the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the refunding bonds to repay or refund all or a portion of the 2008 Bonds (the "Debt Service Savings Analysis").

An initial analysis based on current interest rates has produced an estimated total debt service cash flow savings of approximately \$2,700,000 by issuing refunding bonds. The 2008 Bonds have an interest rate on the longest term bonds of 5.75%. It is anticipated that the proposed refunding bonds would have an interest rate of approximately 4.00% on the longest term bonds. The term of the refunding bonds would not be extended, and would not exceed the current final maturity date (6/1/2038) of the 2008 Bonds.

The final rate structure will be determined when the Bonds are priced and sold, which is expected to occur by the second week of July 2018.

Public Finance Team

This resolution designates the consultants for the Bonds as Wulff, Hansen & Co as Municipal

Advisor, Quint & Thimmig LLP as bond counsel, HdL Coren & Cone, as fiscal consultant, and Hilltop Securities Inc. as Placement Agent.

Wulff, Hansen & Co., is currently the Municipal Advisor for the Town under a master contract that provides for addendums to be completed to describe specific services to be provided and the fees to be paid for such services. The addendum for this refunding includes a success based fee of \$57,500 to be paid out of the proceeds of the issue. No other fees or expenses will be due.

Quint & Thimmig will serve as bond counsel for this refunding. The fee for the bond counsel services for this refunding is a success based fee of \$45,000 to be paid out of proceeds of the issue. No other fee or expenses will be due.

HdL Coren & Cone will provide fiscal consulting services for this refunding. Its contract provides for a fee of \$22,000 to be paid out of the proceeds of the issue. In the event the refunding is not completed, all or a portion of the fee may be due to be paid by the Town. The Town may be able to recoup this fee as part of the ROPs process. As a result, this contract will not be signed until the DOF has approved the refunding. HdL Coren & Cone is currently under contract with the Town to provide other Successor Agency services not directly related to this refunding.

Hilltop Securities, Inc. will serve as placement agent for this refunding. The fee for its services will be \$22,000 to be paid out of the proceeds of the issue. Hilltop Securities, Inc. was selected by staff after proposals were submitted by several potential providers.

Required Documents

On Tuesday, April 3, 2018 the Successor Agency authorized the issuance of the Bonds, approve the form of the Indenture an escrow agreement (the “Escrow Agreement”) and a bond purchase agreement (the “Bond Purchase Agreement”).

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

The Escrow Agreement will establish an escrow fund that will be used to redeem the 2008 Bonds in full on July 30, 2018, at a redemption price equal to the principal amount of the 2008 Bonds plus accrued interest to that date.

The Bond Purchase Agreement sets forth the terms of purchase of the Bonds by an institutional investor to be selected pursuant to a competitive process.

The resolution also provided certain authorized officers to execute and take all actions necessary to complete the documentation approved by this resolution and to obtain all requested approvals by the Oversight Board and the DOF.

The forms of the Indenture the Escrow Agreements and the Bond Purchase Agreement are included as attachments to this report, and Ben Levine of Wulff Hansen & Co. will be available at the meeting via telephone conference to answer any questions.

Alternatives: None recommended

Fiscal impact:

By refunding the 2008 Bonds, the Successor Agency can generate an estimated total debt service savings, based on current interest rates (as of 3/26/18), of approximately \$2,700,000 net of all costs of issuance, including the consultants fees described above, or about \$135,000, annually for 20 years to be shared by the Town and the other affected taxing entities. The repayment of principal and interest on the Bonds will be payable solely from Tax Revenues, which is tax increment revenues from the Redevelopment Project deposited into the Successor Agency's Redevelopment Property Tax Trust Fund, and available after satisfying certain administrative costs of the County and pass through obligations to affected taxing entities. The Bonds will not be a debt of the Town's general fund or the State, or any of its political subdivisions (except the Successor Agency). Since the Town receives approximately 25.79%% of the total property tax levy, the general fund will receive approximately \$35,000 of additional annual revenues to the general fund each year, for 20 years. The other taxing entities will share in the rest.

The total estimated cost of issuance of the Bonds, which is subject to change when Bonds are priced, is estimated to be \$215,500. With the exception of the fiscal consultant fee, all other fees are contingent on the successful issuance of the Bonds. It is anticipated that all fees will be paid from the proceeds of the Bonds.

Amount	Service Provider	Percent of Est. Issuance Fee
45,000	Bond Counsel – Quint & Thimmig	20.88%
57,500	Municipal Advisor – Wulff, Hansen & Co.	26.68%
22,000	Fiscal Consultant – HdL Coren & Cone.	10.21%
22,000	Placement Agent – Hilltop Securities, Inc.	10.21%
25,000	Admin Fee (Town)	11.60%
10,000	Trustee/Escrow – BNY	4.64%
10,000	Investor Counsel – TBD	4.64%
24,000	Miscellaneous	11.14%
215,500	Total Estimate	100.00%

Attachments:

Resolution

Fiscal Analysis Powerpoint

Escrow Agreement

Bond Purchase Agreement

Trust Indenture

Successor Agency Resolution No. SA-18-03

RESOLUTION NO. OB-18-03

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS OF THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

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

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

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

WHEREAS, a redevelopment plan for the Former Agency's Yucca Valley Redevelopment Project No. 1 in the Town of Yucca Valley (the "Town") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency issued its Yucca Valley Redevelopment Agency (San Bernardino County, California) Tax Allocation Bonds, Series 2008 (the "2008 Bonds") to finance and refinance redevelopment activities within and for the benefit of the Redevelopment Project;

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds, the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of

the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the refunding bonds to repay or defease all or a portion of the 2008 Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2008 Bonds will satisfy the Savings Parameters;

WHEREAS, the Successor Agency, by its resolution adopted on April 3, 2018 (the "Successor Agency Resolution"), approved the issuance of its Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, to refund the 2008 Bonds (the "Bonds"), pursuant to section 34177.5(a)(1);

WHEREAS, in the Successor Agency Resolution, the Successor Agency also authorized the execution and delivery of an indenture of trust, by and between the and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), an escrow agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), relating to the defeasance of the 2008 Bonds;

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

WHEREAS, the Successor Agency has determined to sell the Bonds to an institutional investor to be selected pursuant to a competitive process by Hilltop Securities Inc. as placement agent to the Successor Agency;

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

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

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

SECTION 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Bonds to provide funds to defease the 2008 Bonds, as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 3. Direction and Approval of Issuance of the Bonds. As authorized by section 34177.5(f), the Oversight Board hereby approves the issuance by the Successor Agency of the Bonds pursuant to section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in the aggregate principal amount of not to exceed \$8,500,000, provided that the principal and interest payable with respect to the Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Bonds or any portion thereof.

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

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

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

(b) The application of the proceeds of the Bonds by the Successor Agency to the prepayment and defeasance, as applicable, of the 2008 Bonds, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the San Bernardino County Auditor-Controller or any other person or entity other than the Successor Agency; and

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

entitled to recover its costs incurred with respect to the refunding proceedings for the 2008 Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

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

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

PASSED, APPROVED, AND ADOPTED this 10th day of April, 2018.

CHAIR, OVERSIGHT BOARD

ATTEST:

SECRETARY, OVERSIGHT BOARD

March 28, 2018

Debt Service Savings Analysis 2018 Tax Allocation Refunding Bonds



*Successor Agency to the Former Yucca Valley
Redevelopment Agency*

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis Successor Agency to the Former Yucca Valley Redevelopment Agency 2018 Tax Allocation Refunding Bonds

Summary of Refunding Results

SOURCES & USES*

Dated Date	7/10/2018
Delivery Date	7/10/2018
Sources	
Par Amount	8,228,000
Prior Reserve Fund	748,087
	8,976,087
Uses	
Refunding Escrow Deposits	8,750,145
Costs of Issuance	225,000
Additional Proceeds	943
	8,976,087

*All figures are preliminary and are subject to change
Prepared by Wulff, Hansen & Co. on 03/27/2018

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis Successor Agency to the Former Yucca Valley Redevelopment Agency				
2008 RDA Bonds				
Existing Bond Debt Service				
Period Ending	Principal	Interest	Debt Service	
2019	250,000	489,018	739,018	
2020	260,000	476,018	736,018	
2021	275,000	462,238	737,238	
2022	290,000	447,388	737,388	
2023	305,000	431,438	736,438	
2024	325,000	414,663	739,663	
2025	340,000	396,788	736,788	
2026	360,000	378,088	738,088	
2027	380,000	358,288	738,288	
2028	400,000	337,388	737,388	
2029	420,000	315,388	735,388	
2030	445,000	291,238	736,238	
2031	470,000	265,650	735,650	
2032	500,000	238,625	738,625	
2033	525,000	209,875	734,875	
2034	555,000	179,688	734,688	
2035	590,000	147,775	737,775	
2036	625,000	113,850	738,850	
2037	660,000	77,913	737,913	
2038	695,000	39,963	734,963	
Total	8,670,000	6,071,273	14,741,273	

Prepared by Wulff, Hansen & Co.

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis Successor Agency to the Former Yucca Valley Redevelopment Agency 2018 Tax Allocation Refunding Bonds					
New Bond Debt Service*					
Period Ending	Principal	Coupon	Interest	Debt Service	
2019	329,000	3.85%	282,460	611,460	
2020	289,000	3.85%	304,112	593,112	
2021	301,000	3.85%	292,985	593,985	
2022	313,000	3.85%	281,397	594,397	
2023	324,000	3.85%	269,346	593,346	
2024	340,000	3.85%	256,872	596,872	
2025	350,000	3.85%	243,782	593,782	
2026	365,000	3.85%	230,307	595,307	
2027	379,000	3.85%	216,255	595,255	
2028	392,000	3.85%	201,663	593,663	
2029	405,000	3.85%	186,571	591,571	
2030	422,000	3.85%	170,979	592,979	
2031	438,000	3.85%	154,732	592,732	
2032	457,000	3.85%	137,869	594,869	
2033	471,000	3.85%	120,274	591,274	
2034	489,000	3.85%	102,141	591,141	
2035	511,000	3.85%	83,314	594,314	
2036	532,000	3.85%	63,641	595,641	
2037	551,000	3.85%	43,159	594,159	
2038	570,000	3.85%	21,945	591,945	
Total	8,228,000		3,663,800	11,891,800	

*All figures are preliminary and are subject to change
Prepared by Wulff, Hansen & Co.

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis					
Successor Agency to the Former Yucca Valley Redevelopment Agency					
2018 Tax Allocation Refunding Bonds					
Debt Service Savings*					
Date	Prior Debt Service	Refunding Debt Service	Debt Service Savings Cash Flow	Present Value to 3/20/2018 @ 3.8503%	
2019	739,018	611,460	127,557	125,533	
2020	736,018	593,112	142,906	134,499	
2021	737,238	593,985	143,253	129,754	
2022	737,388	594,397	142,991	124,646	
2023	736,438	593,346	143,092	120,034	
2024	739,663	596,872	142,791	115,269	
2025	736,788	593,782	143,006	111,085	
2026	738,088	595,307	142,781	106,725	
2027	738,288	595,255	143,033	102,872	
2028	737,388	593,663	143,725	99,455	
2029	735,388	591,571	143,817	95,750	
2030	736,238	592,979	143,259	91,761	
2031	735,650	592,732	142,919	88,064	
2032	738,625	594,869	143,757	85,204	
2033	734,875	591,274	143,601	81,867	
2034	734,688	591,141	143,547	78,711	
2035	737,775	594,314	143,461	75,654	
2036	738,850	595,641	143,210	72,627	
2037	737,913	594,159	143,754	70,102	
2038	734,963	591,945	143,018	67,058	
Total	14,741,273	11,891,800	2,849,473	1,976,668	

PV of savings from cash flow	1,976,668
Less: Prior funds on hand	(748,087)
Plus: Refunding funds on hand	943
Net Present Value Savings:	1,229,523

*All figures are preliminary and are subject to change
 Prepared by Wulff, Hansen & Co.

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis Successor Agency to the Former Yucca Valley Redevelopment Agency 2018 Tax Allocation Refunding Bonds

Savings for Individual Entities*

Date	Town of Yucca Valley	San Bernardino County Fire Protection District	Morongo Unified School District	Education Revenue Augmentation Fund (ERAF)	County General Fund	Hi-Desert Memorial Hospital District	County Free Library	Superintendent of Schools**	Flood Control Zone 6	Flood Control Admin 3-6	Mojave Desert Resource Cons Dist	Total Debt Service Savings Cash Flow
Allocation %	25.79%	27.18%	10.60%	25.30%	5.71%	2.10%	1.62%	0.23%	1.32%	0.10%	0.06%	100%
2019	32,897	34,670	13,521	32,272	7,284	2,679	2,066	293	1,684	128	77	127,557
2020	36,855	38,842	15,148	36,155	8,160	3,001	2,315	329	1,886	143	86	142,906
2021	36,945	38,936	15,185	36,243	8,180	3,008	2,321	329	1,891	143	86	143,253
2022	36,877	38,865	15,157	36,177	8,165	3,003	2,316	329	1,887	143	86	142,991
2023	36,903	38,892	15,168	36,202	8,171	3,005	2,318	329	1,889	143	86	143,092
2024	36,826	38,810	15,136	36,126	8,153	2,999	2,313	328	1,885	143	86	142,791
2025	36,881	38,869	15,159	36,180	8,166	3,003	2,317	329	1,888	143	86	143,006
2026	36,823	38,808	15,135	36,123	8,153	2,998	2,313	328	1,885	143	86	142,781
2027	36,888	38,876	15,161	36,187	8,167	3,004	2,317	329	1,888	143	86	143,033
2028	37,067	39,064	15,235	36,362	8,207	3,018	2,328	331	1,897	144	86	143,725
2029	37,090	39,089	15,245	36,386	8,212	3,020	2,330	331	1,898	144	86	143,817
2030	36,946	38,938	15,185	36,245	8,180	3,008	2,321	329	1,891	143	86	143,259
2031	36,859	38,845	15,149	36,158	8,161	3,001	2,315	329	1,887	143	86	142,919
2032	37,075	39,073	15,238	36,370	8,208	3,019	2,329	331	1,898	144	86	143,757
2033	37,035	39,031	15,222	36,331	8,200	3,016	2,326	330	1,896	144	86	143,601
2034	37,021	39,016	15,216	36,317	8,197	3,014	2,325	330	1,895	144	86	143,547
2035	36,999	38,993	15,207	36,296	8,192	3,013	2,324	330	1,894	143	86	143,461
2036	36,934	38,924	15,180	36,232	8,177	3,007	2,320	329	1,890	143	86	143,210
2037	37,074	39,072	15,238	36,370	8,208	3,019	2,329	331	1,898	144	86	143,754
2038	36,884	38,872	15,160	36,183	8,166	3,003	2,317	329	1,888	143	86	143,018
Total	734,879	774,487	302,044	720,917	162,705	59,839	46,161	6,554	37,613	2,849	1,710	2,849,473

* All figures are preliminary and are subject to change

**Superintendent of Schools account includes: County Wide (0.1147%), ROP (0.0197%), PHY HAND (0.0451%), MENT RET (0.0362%), and DEV VENTER (0.0118%)

Prepared by Wulff, Hansen & Co.

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis
 Successor Agency to the Former Yucca Valley
 Redevelopment Agency
 2018 Tax Allocation Refunding Bonds

Summary of Refunding Results

*All figures are estimated, preliminary, and subject to change
 Prepared by Wulff, Hansen & Co. on 03/27/2017*

REFUNDING BONDS

Escrow Requirement	8,750,145
at Call Date of 7/30/2018	
Estimated Costs of Issuance	225,000.00
Prior Reserve Fund	748,087.33
Par Amount	8,228,000
Arbitrage Yield	3.85%
True Interest Cost (TIC)	3.85%
All-in TIC	4.17%
Average Life (years)	11.6
Final Maturity (June 1)	2038

AVERAGE ANNUAL NET DEBT SERVICE (1)

Existing Debt Service	737,063.63
New Debt Service	594,589.99
Average Savings	142,473.63

TOTAL NET DEBT SERVICE (1)

Existing Debt Service	14,741,273
New Debt Service	11,891,800
Total Debt Service Cash Flow Savings	2,849,473
Net Present Value Savings	1,229,523
Savings on Refunded Bonds %	14.18%
Savings of Refunding Bonds %	14.94%

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

Successor Agency 2018 Tax Allocation Refunding Bonds

Debt Service Savings Analysis Successor Agency to the Former Yucca Valley Redevelopment Agency 2018 Tax Allocation Refunding Bonds

Estimated Cost of Issuance

Fee	Party	% of Cost of Issuance
\$ 45,000	Bond Counsel - Quint & Thimmig	20.00%
\$ 57,500	Municipal Advisor - Wulff, Hansen & Co.	25.56%
\$ 22,000	Fiscal Consultant - HdL Coren & Cone	9.78%
\$ 22,000	Placement Agent - Hilltop Securities	9.78%
\$ 25,000	Admin Fee - Town of Yucca Valley	11.11%
\$ 10,000	Investor Counsel - TBD	4.44%
\$ 10,000	Trustee/Escrow - BNY	4.44%
\$ 33,500	Miscellaneous	14.89%
\$ 225,000		100.00%

**Some figures are estimated and are subject to change*

ESCROW AGREEMENT

by and between the

**SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT AGENCY**

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank

Dated July 10, 2018

Relating to the current refunding of the outstanding

**YUCCA VALLEY REDEVELOPMENT AGENCY
Yucca Valley Redevelopment Project No. 1
Tax Allocation Bonds, Series 2008**

ESCROW AGREEMENT

This ESCROW AGREEMENT is made and entered into this 10th day of July, 2018, by and between the SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, as successor to the former Yucca Valley Redevelopment Agency, a public entity, organized and existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, and being qualified to accept and administer the funds and accounts hereby created, as successor trustee with respect to the hereinafter described 2008 Bonds and as escrow agent hereunder (the "Escrow Bank");

WITNESSETH:

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

WHEREAS, the Former Agency has previously issued its Yucca Valley Redevelopment Agency, Yucca Valley Redevelopment Project No. 1, Tax Allocation Bonds, Series 2008 (the "2008 Bonds");

WHEREAS, the 2008 Bonds were issued pursuant to an Indenture of Trust, dated as of May 1, 2008, by and between the Former Agency and The Bank of New York Trust Company, N.A., as predecessor trustee, (the "Indenture");

WHEREAS, the Indenture provides that if the Successor Agency shall pay and provide for the entire indebtedness on all or any portion of the 2008 Bonds and by irrevocably depositing cash or non-callable Defeasance Obligations (as defined in the Indenture) with the 2008 Trustee in such amount as will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all or such portion of the 2008 Bonds (including all principal, interest and redemption premiums) at or before maturity, and if the 2008 Bonds are to be redeemed prior to the maturity thereof, and notice of such redemption is given pursuant to the Indenture or provision satisfactory to the 2008 Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any 2008 Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues (as defined in the Indenture) and other funds provided for in the Indenture and all other obligations of the 2008 Trustee and the Successor Agency under the Indenture with respect to all or such portion of the 2008 Bonds shall cease and terminate, except only the obligations of the 2008 Trustee to transfer and exchange the 2008 Bonds thereunder and except the obligations of the Successor Agency to pay or cause to be paid to the owners of the 2008 Bonds not so surrendered and paid all sums due thereon and all expenses and costs of the 2008 Trustee; and thereafter Tax Revenues shall not be payable to the 2008 Trustee;

WHEREAS, the Successor Agency has determined that, due to prevailing financial market conditions, it is in the best interests of the Successor Agency at this time to provide for the redemption of the 2008 Bonds in full on July 30, 2018 (the "Redemption Date") at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to such date (the "Redemption Price");

WHEREAS, to raise funds necessary to effectuate the refunding of the 2008 Bonds, and for other purposes, the Successor Agency has issued its \$_____ Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (the "2018 Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 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");

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

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

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

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

Section 2. Establishment of Escrow Fund. There is hereby created by the Successor Agency with, and to be held by, the Escrow Bank, as security for the defeasance and redemption of the 2008 Bonds, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the Successor Agency and for the benefit of the owners of the 2008 Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall constitute a special fund for the defeasance and redemption of the 2008 Bonds in accordance with the provisions of the Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency. The Escrow Bank shall in no event be responsible or liable for any such deficiency.

Section 3. Deposit into Escrow Fund.

(a) Concurrently with delivery of the 2018 Bonds, the Successor Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____, derived as follows:

(i) from the proceeds of the 2018 Bonds, the sum of \$_____;

(ii) from amounts on deposit in the reserve account created for the 2008 Bonds (the "2008 Reserve Account"), the sum of \$_____;

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

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

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2008 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be paid to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund established under the 2018 Indenture.

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

(a) The moneys deposited in the Escrow Fund pursuant to Section 3 shall be applied by the Escrow Bank for the sole purpose of redeeming the outstanding 2008 Bonds in full on the Redemption Date at the Redemption Price, all as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2008 Trustee, has been previously requested, and the Escrow Bank, as 2008 Trustee, previously agreed to give timely notice of the redemption of the 2008 Bonds on the Redemption Date in accordance with the applicable provisions of the Indenture.

(c) The Escrow Bank, in its capacity as 2008 Trustee, is hereby requested, and the Escrow Bank, in its capacity as 2008 Trustee, hereby agrees to give notice of the defeasance of the 2008 Bonds in the form of defeasance notice attached hereto as Exhibit B.

Section 5. Application of 2008 Funds.

(a) On the date of deposit of amounts in the Escrow Fund pursuant to Section 3, the Escrow Bank, as 2008 Trustee, is hereby directed to withdraw all amounts on deposit in the 2008 Reserve Account and transfer such amounts to the Escrow Fund.

(b) Any amounts remaining on deposit in any fund or account established under the Indenture relating to the 2008 Bonds, including any investment earnings received after the date of original delivery of the 2018 Bonds, shall be transferred by the Escrow Bank to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund established under the 2018 Indenture.

Section 6. Application of Certain Terms of Indenture. All of the terms of the Indenture relating to the making of payments of principal and interest with respect to the 2008 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Indenture relating to the limitations from liability and protections afforded the 2008 Trustee and the resignation and removal of the 2008 Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

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

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in

the performance of its duties under this Escrow Agreement unless the Successor Agency shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Successor Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

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

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

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Agreement and delivered using Electronic Means ("Electronic Means" means mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such

Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank 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 Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such 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 Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank 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 Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the Successor Agency. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Successor Agency, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective directors, officers, employees, successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 8 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2008 Bonds shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Successor Agency and the Successor Agency, (2) to cure, correct or supplement any ambiguous or defective

provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2008 Bonds or the 2018 Bonds, and that such amendment will not cause interest on the 2008 Bonds or the 2018 Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the Successor Agency to each rating agency then rating the 2008 Bonds.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2008 Bonds.

Section 11. Notice of Escrow Bank, Agency and Successor Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2008 Trustee in accordance with the provisions of the Indenture. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Indenture (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

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

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY has caused this Escrow Agreement to be signed in its name by its Executive Director and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. in token of its acceptance of the escrow created hereunder, has caused this Escrow Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT
AGENCY

By _____
Curtis Yakimow
Executive Director

Attest:

Lesley Copeland, CMC
Secretary

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Bank
and 2008 Trustee

By _____
Authorized Officer

EXHIBIT A

REDEMPTION SCHEDULE

<u>Redemption Date</u>	<u>Scheduled Principal</u>	<u>Called Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
7/30/18	—	\$8,670,000		—	

EXHIBIT B

NOTICE OF DEFEASANCE

**Yucca Valley Redevelopment Agency
Yucca Valley Redevelopment Project No. 1
Tax Allocation Bonds, Series 2008**

<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
6/1/2019	\$ 250,000	5.200%	988411 CD4
6/1/2020	260,000	5.300	988411 CE2
6/1/2021	275,000	5.400	988411 CF9
6/1/2022	290,000	5.500	988411 CG7
6/1/2028	2,110,000	5.500	988411 CH5
6/1/2038	5,485,000	5.750	988411 CJ1

NOTICE IS HEREBY GIVEN, on behalf of the Successor Agency to the Former Yucca Valley Redevelopment Agency (the "Successor Agency") to the owners of the outstanding Yucca Valley Redevelopment Agency, Yucca Valley Redevelopment Project No. 1, Tax Allocation Bonds, Series 2008, described above (the "Bonds"), that pursuant to the indenture authorizing the issuance of the Bonds (the "Indenture"), the lien of the Indenture with respect to the Bonds has been discharged through the irrevocable deposit of cash in an escrow fund (the "Escrow Fund"). The Escrow Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated July 10, 2018, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"). As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Indenture. The pledge of the funds provided for under the Indenture and all other obligations of the Successor Agency to the owners of the Bonds shall hereafter be limited to the application of moneys in the Escrow Fund for the payment of the Bonds as described below.

The cash deposited in the Escrow Fund has been calculated to provide sufficient moneys to redeem the outstanding Bonds in full on July 30, 2018 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof. From and after the Redemption Date, interest with respect to the Bonds shall cease to accrue and be payable.

Dated: July 10,, 2018

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

§ _____
**SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT AGENCY
Tax Allocation Refunding Bonds, Series 2018**

BOND PURCHASE AND RATE LOCK AGREEMENT

June 27, 2018

Successor Agency to the Former Yucca Valley Redevelopment Agency
57090 Twentynine Palms Highway
Yucca Valley, CA 92284

Ladies and Gentlemen:

_____ (the "Purchaser"), offers to enter into this Bond Purchase and Rate Lock Agreement (the "Bond Purchase Agreement") with the Successor Agency to the Former Yucca Valley Redevelopment Agency (the "Successor Agency"), which will be binding upon the Successor Agency and the Purchaser upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Purchaser on or before 5:00 P.M., California time, on the date hereof.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. *Purchase and Sale.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the Successor Agency, all (but not less than all) of the \$_____ Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (the "Bonds"), at the purchase price of \$_____ (the "Purchase Price"), being the principal amount of the Bonds. The Purchase Price will be delivered on the Closing Date (as defined in Section 5 below), to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), on behalf of the Successor Agency.

The Successor Agency acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Successor Agency and the Purchaser; (ii) in connection with such transaction, including the process leading thereto, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the Successor Agency; (iii) the Purchaser has neither assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the Successor Agency on other matters) nor has it assumed any other obligation to the Successor Agency except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Purchaser has financial and other interests that

differ from those of the Successor Agency; and (v) the Successor Agency has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Successor Agency hereby acknowledges receipt from _____, as placement agent (the "Placement Agent"), of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Placement Agent's role in the transaction, disclosures concerning the Placement Agent's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

The Bonds shall be dated the Closing Date, shall bear interest at the rate, shall mature on the date and in the principal amount and shall be subject to redemption, all as set forth in the Exhibit A attached hereto.

The Bonds are being issued pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code, a resolution of the Successor Agency, adopted on April 3, 2018 (the "Successor Agency Resolution"), a resolution of the Oversight Board for the Successor Agency to the Former Yucca Valley Redevelopment Agency, adopted on April __, 2018 (the "Oversight Board Resolution"), and that certain Indenture of Trust, dated as of July 1, 2018 (the "Indenture"), by and between the Successor Agency and the Trustee. The Department of Finance of the State (the "Department of Finance") has issued a letter, dated _____, 2018, approving the issuance of the Bonds. The Bonds are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Tax Revenues.

The Bonds are being issued for the purpose of providing funds to the Successor Agency to (a) defease the outstanding Yucca Valley Redevelopment Agency, Yucca Valley Redevelopment Project No. 1, Tax Allocation Bonds, Series 2008 (the "2008 Bonds"), and (b) pay the costs of issuing the Bonds.

Pursuant to an escrow agreement (the "Escrow Agreement"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), provision will be made for the defeasance of the 2008 Bonds and for the redemption of the 2008 Bonds in full on July 30, 2018, at the price of 100% of the principal amount thereof, together with accrued interest to such date.

2. Private Placement; Bonds Constitute Investment of Purchaser.

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

(b) The Purchaser is acquiring the Bonds for its own account and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the Bonds *provided, however,* such representation shall not preclude the Purchaser from transferring or selling of the Bonds in accordance with the provisions of the Indenture. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the Bonds. The Purchaser has required as a condition to the purchase of the Bonds that no application be made for the assignment of CUSIP numbers or to make the Bonds DTC eligible.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the Successor Agency and the Bonds and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the Successor Agency set forth in the Indenture and in the information set forth in any materials submitted to the Purchaser by the Successor Agency. The Successor Agency has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the Successor Agency as a result of the Purchaser having attached significance thereto in making its investment decision with respect to the Bonds, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Successor Agency and the Bonds. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Bonds.

(d) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933 or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the Bonds and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that the Bonds are transferable with certain requirements, as described in the Indenture. The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the Successor Agency has not undertaken to provide any continuing disclosure with respect to the Bonds but that the Successor Agency has agreed to provide other ongoing information to the Purchaser as set forth in the Indenture and in Exhibit B attached hereto (the "Terms and Conditions").

3. *Representations, Warranties and Agreements of the Successor Agency.* The Successor Agency represents and warrants to the Purchaser that, as of the date hereof and as of the Closing Date:

(a) The Successor Agency is a public body, corporate and politic, organized and existing under the laws of the State of California (the "State"), and is authorized, among other things, (i) to issue the Bonds, and (ii) to secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has the full right, power and authority (i) to adopt the Successor Agency Resolution, (ii) to enter into the Indenture, the Escrow Agreement and this Bond Purchase Agreement, (iii) to issue, sell and deliver the Bonds to the Purchaser as provided herein, and (iv) to carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and the Successor Agency has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Successor Agency has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the Successor Agency of this Bond Purchase Agreement, the Escrow Agreement and the Indenture, and (ii) the taking of any and all such action as may be required on the part of the Successor Agency to carry out, give effect

to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Successor Agency in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The Bonds, when issued, authenticated and delivered in accordance with the Successor Agency Resolution and the Indenture, and sold to the Purchaser as provided herein, will constitute legal, valid and binding obligations of the Successor Agency, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and are entitled to the benefits of the laws of the State, the Indenture and the Successor Agency Resolution.

(e) Neither the execution and delivery by the Successor Agency of the Indenture, the Escrow Agreement, this Bond Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject.

(f) The Successor Agency has never been in default at any time, as to principal of or interest on any obligation which it has issued and the Successor Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues pledged to the payment of the Bonds, whether such lien be on a parity with or senior to the lien thereon securing the Bonds.

(g) Except as otherwise specifically disclosed in writing to the Purchaser, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Successor Agency or, to the best knowledge of the Successor Agency, threatened, which in any way questions the powers of the Successor Agency referred to in paragraph (b) above, or the validity of any proceeding taken by the Successor Agency in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Escrow Agreement, the Bonds or this Bond Purchase Agreement or, to the knowledge of the Successor Agency, which in any way questions the exclusion from gross income of the recipients thereof the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Tax Revenues.

(h) The financial statements of, and other financial information regarding the Successor Agency relating to the receipts, expenditures and cash balances of revenues by the Successor Agency as of June 30, 2017, fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the Agency as of the dates and for the periods therein set forth. The financial statements of the Successor Agency have been prepared in accordance with generally accepted accounting principles consistently applied. There has not been any materially adverse change in the financial condition of the Successor Agency or in its

operations since June 30, 2017, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(i) Any certificate signed by any official of the Successor Agency and delivered to the Purchaser in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Successor Agency to the Purchaser as to the truth of the statements therein contained.

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

(k) The Bonds shall not be registered or otherwise qualified under any Blue Sky or other securities laws.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Successor Agency of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(m) Between the date of this Bond Purchase Agreement and the Closing Date, the Successor Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Purchaser.

(n) The Successor Agency will apply the proceeds of the Bonds in accordance with the Indenture.

(o) As of the time of acceptance hereof and as of the Closing Date, except as otherwise specifically disclosed to the Purchaser, the Successor Agency has complied with the filing requirements of sections 33080 to 33080.6 and with Sections 33334.2, 33334.3 and 33334.6 of the Redevelopment Law.

(p) The Oversight Board has duly adopted the Oversight Board Resolution and no further Oversight Board approval or consent is required for the issuing of the Bonds.

(q) No further Department of Finance approval or consent is required for the issuance of the Bonds. The Successor Agency has received its Finding of Completion from the Department of Finance.

4. *Covenant of the Successor Agency.* The Successor Agency covenants, for the benefit of the Purchaser, that the Successor Agency will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

5. *Closing.* On July 10, 2018, or at such other date and times as shall have been mutually agreed upon by the Successor Agency and the Purchaser (the "Closing Date"), the Successor Agency will deliver or cause to be delivered the Bonds to the Purchaser, and the Successor Agency shall deliver or cause to be delivered to the Purchaser the certificates, opinions and documents hereinafter mentioned, each of which shall be dated as of the Closing Date. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as

described in Section 7 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices Quint & Thimmig LLP, in Larkspur, California ("Bond Counsel"), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Purchaser. Such delivery is herein called the "Closing."

The Bonds will be prepared and physically delivered to the Purchaser on the Closing Date in the form of a separate single fully registered bond. The Bonds will be authenticated by the Trustee in accordance with the terms and provisions of the Indenture.

The Purchaser will pay the Purchase Price of the Bonds by delivering to the Trustee, for the account of the Successor Agency a wire transfer in federal funds of the Purchase Price payable to the order of the Trustee.

6. *Closing Conditions.* The obligations of the Purchaser hereunder shall be subject to the performance by the Successor Agency of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) all terms and conditions contained in the Terms and Conditions of the Purchaser, attached hereto as Exhibit B, have been complied with to the Purchaser's satisfaction;

(b) the representations, warranties and covenants of the Successor Agency contained herein shall be true and correct in all material respects as of the Closing Date;

(c) as of the Closing Date, there shall have been no material adverse change in the financial condition of the Successor Agency;

(d) as of the Closing Date, all official action of the Successor Agency relating to this Bond Purchase Agreement, the Escrow Agreement and the Indenture shall be in full force and effect;

(e) as of the Closing Date, the Purchaser shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Purchaser:

(i) a copy of the Indenture, as duly executed and delivered by the Successor Agency and the Trustee;

(ii) a copy of the Escrow Agreement, as duly executed and delivered by the Successor Agency and the Escrow Bank;

(iii) an opinion of Bond Counsel, in form acceptable to the Purchaser, dated the Closing Date and addressed to the Successor Agency, with a reliance letter addressed to the Purchaser;

(iv) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director (or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreement or the Indenture, and consummation of such transactions; and (B)

the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture, the Escrow Agreement and this Bond Purchase Agreement;

(v) an opinion of counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Purchaser to the effect that:

(A) the Successor Agency is a public body, duly organized and existing under the laws of the State;

(B) the Successor Agency has full legal power and lawful authority to enter into the Indenture, the Escrow Agreement and this Bond Purchase Agreement and to undertake the transactions contemplated by such instruments;

(C) the Successor Agency Resolution has been duly adopted at a meeting of the governing body of the Successor Agency, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the Successor Agency Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the Escrow Agreement and this Bond Purchase Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the Successor Agency enforceable in accordance with their terms; and

(E) Except as otherwise specifically disclosed to the Purchaser, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to our knowledge, threatened against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Indenture, the Escrow Agreement or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Indenture, the Escrow Agreement or this Bond Purchase Agreement, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into, and perform under, the Indenture, the Escrow Agreement or this Bond Purchase Agreement;

(vi) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the Successor Agency and the Purchaser, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of

the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture;

(vii) an opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the Successor Agency and the Purchaser, to the effect that:

(A) The Escrow Bank is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the Escrow Agreement;

(B) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Bank and the Escrow Agreement constitutes the legal, valid and binding obligations of the Escrow Bank enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the Escrow Agreement or the consummation of the transactions contemplated by the Escrow Agreement;

(viii) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(ix) a certificate, dated the Closing Date, of the Escrow Bank, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to administer the Escrow Agreement; (B) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of the Escrow Agreement; and (C) to the best of such officer's

knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank which would restrain or enjoin the execution or delivery of the Escrow Agreement, or which would affect the validity or enforceability of the Escrow Agreement, or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the Escrow Agreement, or any other agreement, document or certificate related to such transactions;

(x) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Successor Agency and the Purchaser, to the effect that:

(A) this Bond Purchase Agreement and the Escrow Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the Successor Agency, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(xi) an Arbitrage Certificate in the form satisfactory to Bond Counsel;

(xii) certified copies of the Successor Agency Resolution and the Oversight Board Resolution;

(xiii) evidence of the bond approval from the Department of Finance;

(xiv) the specimen Bond;

(xvi) evidence that the federal tax information form 8038-G with respect to the Bonds has been prepared by Bond Counsel for filing;

(xvi) evidence of required filings with the California Debt and Investment Advisory Commission;

(xvii) defeasance opinion of Bond Counsel with respect to the 2008 Bonds, dated the Closing Date and addressed to the Successor Agency, the Trustee, the Escrow Bank and the Purchaser, in form and substance satisfactory to the Purchaser;

(xviii) A certificate of Wulff Hansen & Co. (the "Municipal Advisor"), dated the date of the Closing, confirming satisfaction of the savings requirements set forth in section 34177.5(a) of the Dissolution Act and that the Savings Parameters have been achieved, as required by Oversight Board Resolution; and

(xix) such additional legal opinions, certificates, instruments and other documents as the Purchaser may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement and the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to

be performed and all conditions then to be satisfied by the Successor Agency pursuant to this Bond Purchase Agreement and the Terms and Conditions.

7. *Termination.* The Purchaser shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues other income of the general character to be derived by the Successor Agency or by any similar body under the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds which, in the reasonable opinion of the Purchaser, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the Bonds; or

(e) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or market price of the Bonds; or

(f) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(g) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Successor Agency; or

(h) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(i) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Purchaser; or

(i) any change, which in the reasonable opinion of the Purchaser, materially adversely affects the marketability of the Bonds or, the financial condition of the Successor Agency.

8. *Contingency of Obligations.* The obligations of the Successor Agency hereunder are subject to the performance by the Purchaser of its obligations hereunder.

9. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the Successor Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser or the Successor Agency and shall survive the Closing Date.

10. *Expenses.* The Successor Agency will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, the fees and disbursements of the Trustee, the Placement Agent, the Municipal Advisor, Bond Counsel, counsel to the Successor Agency and counsel to the Purchaser, the fees and expenses of the Successor Agency's accountants and fiscal consultants and the reporting fee to the California Debt and Investment Advisory Commission. In the event this Bond Purchase Agreement shall terminate because of the default of the Purchaser, the Successor Agency will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Purchaser shall pay all expenses incurred by it in connection with its purchase of the Bonds other than the fees and expenses of its counsel.

11. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the Town Manager of the Town of Yucca Valley on behalf of the Successor Agency, 57090 Twentynine Palms Highway, Yucca Valley, CA 92284, and any notice or other communication to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing to _____, Attention: _____.

12. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the Successor Agency and the Purchaser (including the successors or assigns of the Purchaser) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

13. *Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

14. *Headings.* The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

15. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

16. *Effectiveness.* This Bond Purchase Agreement shall become effective upon acceptance hereof by the Successor Agency.

17. *Counterparts.* This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

_____, as Purchaser

By _____
Name _____
Title _____

Accepted and agreed to as of
the date first above written:

SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT
AGENCY

By _____
Curtis Yakimow
Executive Director

Acknowledged:

_____, as Placement Agent

By _____
Name _____
Title _____

[Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018]

**EXHIBIT A TO THE
BOND PURCHASE AGREEMENT**

\$ _____
SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY
Tax Allocation Refunding Bonds, Series 2018

MATURITY SCHEDULE

Maturity Date (June 1)	Principal Amount	Interest Rate
2026	\$ _____	_____%

REDEMPTION PROVISIONS

Optional Redemption. [TO COME]

Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption in part on June 1, ____, and on each June 1 thereafter, to and including March 1, ____, from Mandatory Sinking Account Payments made by the Successor Agency at a redemption price equal to the principal amount thereof, without premium, in the aggregate respective amounts and on the respective dates as set forth in the following table.

Redemption Date (June 1)	Principal Amount

† Maturity.

**EXHIBIT B TO THE
BOND PURCHASE AGREEMENT
TERMS AND CONDITIONS
ATTACHED**

INDENTURE OF TRUST

by and between the

**SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT AGENCY**

and

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

dated as of July 1, 2018

Relating to:

**\$ _____
Successor Agency to the Former
Yucca Valley Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2018**

TABLE OF CONTENTS

Page

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations 3
Section 1.02. Definitions 3
Section 1.03. Rules of Construction 11

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Bonds 12
Section 2.02. Terms of Bonds 12
Section 2.03. Redemption of Bonds 13
Section 2.04. Form of Bonds 14
Section 2.05. Execution of Bonds 14
Section 2.06. Transfer of Bonds 15
Section 2.07. Exchange of Bonds 15
Section 2.08. Registration of Bonds 16
Section 2.09. Temporary Bonds 16
Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen 16

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY DEBT

Section 3.01. Issuance of Bonds 17
Section 3.02. Application of Proceeds of Sale 17
Section 3.03. Costs of Issuance Fund 17
Section 3.04. Issuance of Parity Debt 17
Section 3.05. Validity of Bonds 18

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security 19
Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues 19
Section 4.03. Deposit of Amounts by Trustee 20

ARTICLE V

OTHER COVENANTS OF THE AGENCY

Section 5.01. Covenants of the Successor Agency 22

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee 27
Section 6.02. Merger or Consolidation 28
Section 6.03. Liability of Trustee 28
Section 6.04. Right to Rely on Documents and Opinions 30
Section 6.05. Preservation and Inspection of Documents 31
Section 6.06. Compensation and Indemnification 31
Section 6.07. Deposit and Investment of Moneys in Funds 31
Section 6.08. Accounting Records and Financial Statements 32
Section 6.09. Appointment of Co-Trustee or Agent 33
Section 6.10. Other Transactions with Successor Agency 33

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment	34
Section 7.02. Effect of Supplemental Indenture	34
Section 7.03. Endorsement or Replacement of Bonds After Amendment	34
Section 7.04. Amendment by Mutual Consent	35

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities	36
Section 8.02. Application of Funds Upon Acceleration	37
Section 8.03. Limitation on Owner's Right to Sue	37
Section 8.04. Non-Waiver	38
Section 8.05. Actions by Trustee as Attorney-in-Fact	38
Section 8.06. Remedies Not Exclusive	39
Section 8.07. Parties Interested Herein	39

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties	40
Section 9.02. Successor is Deemed Included in All References to Predecessor	40
Section 9.03. Discharge of Indenture	40
Section 9.04. Execution of Documents and Proof of Ownership by Owners	41
Section 9.05. Disqualified Bonds	41
Section 9.06. Waiver of Personal Liability	41
Section 9.07. Destruction of Canceled Bonds	41
Section 9.08. Notices	42
Section 9.09. Partial Invalidity	42
Section 9.10. Unclaimed Moneys	42
Section 9.11. Execution in Counterparts	43
Section 9.12. Governing Law	43

EXHIBIT A	FORM OF SERIES A BOND
EXHIBIT B	FORM OF PURCHASER'S LETTER
EXHIBIT C:	RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture"), dated as of July 1, 2018, is by and between the SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, a public body duly organized and existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

RECITALS:

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 Yucca Valley Redevelopment Agency (the "Former Agency"), has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to section 34173, and the Successor Agency to the Former Yucca Valley Redevelopment Agency (the "Successor Agency") has become the successor entity Agency;

WHEREAS, a redevelopment plan for the Former Agency's Yucca Valley Redevelopment Project No. 1 in the Town of Yucca Valley (the "Town") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Yucca Valley Redevelopment Agency (San Bernardino County, California) Tax Allocation Bonds, Series 2008 (the "2008 Bonds") to finance and refinance redevelopment activities within and for the benefit of the Redevelopment Project;

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds, the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay or defease all or a portion of the 2008 Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2008 Bonds will satisfy the Savings Parameters;

WHEREAS, to provide moneys to refund the 2008 Bonds, the Successor Agency determined in its Resolution No. _____, adopted on April 3, 2018 (the "Successor Agency Resolution"), to issue bonds designated as the Successor Agency to the Former Yucca Valley Redevelopment Agency, Tax Allocation Refunding Bonds, Series 2018 (the "Bonds"), to defease the 2008 Bonds, under the provisions of section 34177.5 of the Law and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Refunding Bond Law"), so long as the requirements of section 34177.5(a) of the Law are satisfied in connection with the refunding transaction;

WHEREAS, on April __, 2018, the Oversight Board for the Successor Agency to the Former Yucca Valley Redevelopment Agency (the "Oversight Board") adopted its Resolution No. ____ (the "Oversight Board Resolution"), pursuant to which the Oversight Board approved the issuance of the Bonds, and approved the other actions of the Successor Agency contemplated by the Successor Agency Resolution; and

WHEREAS, on April 16, 2018, the Successor Agency submitted the Oversight Board Resolution to the California Department of Finance (the "DOF") for approval pursuant to section 34179(h) of the Law; and

WHEREAS, on _____, 2018, the DOF provided a letter to the Successor Agency approving the Oversight Board Resolution, conditioned upon the Bonds satisfying the requirements of section 34177.5(a) of the Law; and

WHEREAS, section 34177.5(f) of the Law provides, in relevant part, that "[i]f, under the authority granted to it by subdivision (h) of section 34179, the Department of Finance either reviews and approves or fails to request review within five business days of an oversight board approval of an action authorized by this section, the scheduled payments on the bonds or other indebtedness shall be listed in the Recognized Obligation Payment Schedule and shall not be subject to further review and approval by the department or the Controller"; and

WHEREAS, the total net interest cost to maturity of the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to maturity of the 2008 Bonds to be refunded plus the principal amount of the 2008 Bonds to be refunded; and

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

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

A G R E E M E N T :

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

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

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

"Agency" means the former Yucca Valley Redevelopment Agency.

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

"Bonds" means the \$_____ Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, and, when the context requires, any Parity Debt.

"Bond Year" means any twelve-month period beginning on June 2 in any year and ending on the next succeeding June 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on June 1, 2019.

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

"Town" means the Town of Yucca Valley, California.

"Closing Date" means July 10, 2018, being the date on which the Bonds are delivered by the Successor Agency to the original purchaser thereof.

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

"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 printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees

and charges for preparation, execution and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

"County" means the County of San Bernardino, California.

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

"Date of Taxability" means the date from and for which interest on the Bonds is subject to federal income taxation as a result of a Determination of Taxability.

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

"Default Rate" means the then applicable interest rate plus 3.000%.

"Defeasance Obligations" means any one or more of the following:

(a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS").

(b) Direct obligations of the Treasury which have been stripped by the Treasury itself.

(c) Resolution Funding Corp. (REFCORP) - Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(d) Pre-refunded municipal bonds rated both Aaa by Moody's and AAA by S&P

(e) Obligations issued by the following agencies which are backed by the full faith and credit of the United States:

- 1) U.S. Export-Import Bank (Eximbank)
 - i. Direct obligations or fully guaranteed certificates of beneficial ownership
- 2) Federal Financing Bank
- 3) General Services Administration
 - i. Participation certificates
- 4) U.S. Department of Housing and Urban Development (HUD)
 - i. Project Notes
 - ii. Local Authority Bonds

- iii. New Communities Debentures - U.S. government guaranteed debentures
- iv. U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

“Determination of Taxability” means any determination, decision, or decree made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that as a result of any actions or omissions of the Successor Agency or the Former Agency with respect to the Bonds the interest payable on the Bonds is includable in the gross income for federal income tax purposes of the Owner, provided, however, that no such Determination of Taxability shall be deemed to have occurred if the Successor Agency is contesting such determination in good faith and is diligently proceeding to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the Successor Agency.

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

“Escrow Agreement” means that certain Escrow Agreement, dated July 10, 2018, by between the Successor Agency and the Escrow Bank, pursuant to which provision will be made for the defeasance of the 2008 Bonds.

“Escrow Bank” means The Bank of New York Mellon Trust Company, N.A., as escrow bank under the Escrow Agreement, or any successor thereto appointed as escrow bank thereunder.

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

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

“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 (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (c) 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.

“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.

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

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

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

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment 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.

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

"Interest Payment Date" means June 1 and December 1 in each year, commencing December 1, 2018, so long as any of the Bonds remain Outstanding hereunder.

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

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

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Successor Agency, (b) the ability of the Successor Agency to carry out its business in the manner conducted as of the date of this Indenture or to meet or perform its obligations under this Indenture on a timely basis, (c) the validity or enforceability of this Indenture, or (d) the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

"Material Litigation" means any action, suit, proceeding, inquiry or investigation against the Successor Agency in any court or before any arbitrator of any kind or before or by any

Governmental Authority, (i) if determined adversely to the Successor Agency, may have a Material Adverse Effect, (ii) seek to restrain or enjoin any of the transactions contemplated by this Indenture, or (iii) may adversely affect (A) the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the Successor Agency to perform its obligations under this Indenture.

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Negotiated Pass-Through Amounts” means amounts paid to affected taxing agencies pursuant to the Pass-Through Agreements.

“Original Purchaser” means _____, the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 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 of the Successor Agency duly constituted from time to time pursuant to section 34179 of the Dissolution Act.

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

“Parity Debt” means any loans, advances or indebtedness issued or incurred by the Successor Agency and secured by a pledge of the Tax Revenues on a parity with the Bonds pursuant to Section 3.04.

“Pass-Through Agreements” means, collectively, _____ and _____.

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

(a) Direct 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) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(1) U.S. Export-Import Bank (Eximbank)

i. Direct obligations or fully guaranteed certificates of beneficial ownership

(2) Federal Financing Bank

- (3) Federal Housing Administration Debentures (FHA)
- (4) General Services Administration
 - i. Participation certificates
- (5) General Services Administration
 - i. GNMA- guaranteed mortgage-backed bonds
 - ii. GNMA - guaranteed pass-through obligations not acceptable for certain cash-flow sensitive issues
- (6) Bonds or notes issued by any state or municipality whose underlying ratings from Moody's and S&P are in the highest rating categories assigned by such agencies.
 - i. Project Notes
 - ii. Local Authority Bonds
 - iii. New Communities Debentures - U.S. government guaranteed debentures
 - iv. U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
- (c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
 - (1) Federal Home Loan Bank System Senior debt obligations
 - (2) Resolution Funding Corp. (REFCORP) obligations
 - (3) Farm Credit System Consolidated system wide bonds and notes
- (d) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Trustee on behalf of the Bondholders must have a perfected first security interest in the collateral.
- (e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
- (f) Bonds or notes issued by any state or municipality whose underlying ratings from Moody's and S&P are in the highest rating categories assigned by such agencies.
- (g) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime- 1 or A3 or better by Moody's and A-1 or A or better by S&P.

- (h) Repurchase Agreements for 30 days or less, subject to the following criteria:
 - (1) Repos must be between the Trustee and a dealer bank or securities firm
 - i. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or
 - ii. Banks rated "A" or above by S&P and Moody's.

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

"Principal Corporate Trust Office" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being at 400 South Hope Street, Suite 500, Los Angeles, CA 90071, Attention: Corporate Trust Department; except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

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

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

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

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

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

"Redevelopment Project" has the meaning given to such term in the second Recitals to this Indenture.

"Refunding Bond Law" means, collectively, section 34177.5(a)(1) of the Law and Section 53580 *et seq.* of the California Government Code

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

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

consultant to express an informed opinion with respect to the subject matter referred to in the Report.

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

"S&P" means S&P Global Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and assigns.

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

"State" means the State of California.

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

"Successor Agency" means the Successor Agency to the Former Yucca Valley Redevelopment Agency, as successor to the Agency, being a public body corporate and politic duly organized and existing under the Law.

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

"Tax Revenues" means the moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (b) of section 34170.5 of the Law, as provided in section 34183 of the Law, excluding (a) Statutory Pass-Through Amounts, and (b) Negotiated Pass-Through Amounts. If, and to the extent, that the provisions of section 34172 of the Law or section 34183 of the Law are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

"Taxable Rate" means, with respect to the Bonds, ____% per annum based on a 360-day year of twelve thirty day months.

"Term Bonds" means any Bonds the principal of which is payable from sinking fund installments.

"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.

"2008 Bonds" means the Yucca Valley Redevelopment Agency, Yucca Valley Redevelopment Project No. 1, Tax Allocation Bonds, Series 2008.

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

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

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Bonds.

(a) The Bonds in the aggregate principal amount of _____ dollars (\$_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Refunding Bond Law. The Bonds shall be designated the "Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018."

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

Section 2.02. Terms of Bonds.

(a) The Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds shall mature on June 1, ____, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate of ____% per annum; *provided, however*, that so long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Owner, be increased to the Default Rate, as provided in a written notice to the Trustee and the Successor Agency and *provided further, however*, from and after the Date of Taxability following a Determination of Taxability, the interest rate may, at the option of the Owner, be increased to the Taxable Rate. The Bonds shall not be (i) assigned a rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned CUSIP numbers by Standard & Poor's CUSIP Service Bureau.

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

(c) The Bonds shall be dated as of their date of delivery and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in

which event it shall bear interest from such Interest Payment Date; or (b) the Bonds are authenticated on or before November 15, 2018, in which event they shall bear interest from their date of delivery; *provided, however*, that if, as of the date of authentication of the Bonds, interest thereon is in default, the Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(d) Notwithstanding anything herein to the contrary, so long as the Bonds are owned by the Original Purchaser, (i) the Trustee shall pay principal of and interest and redemption premium on the Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with wire transfer instructions set forth below (or such other wire instructions as shall be filed by the Original Purchaser with the Trustee from time to time), (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bonds by the Original Purchaser, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the redemption of Bonds under Section 2.03(b):

(e) Notwithstanding anything herein to the contrary, if any Interest Payment Date is not a Business Day, payments of principal and interest shall be due on the next succeeding Business Day with the same force and affect as if such payments were made on the Interest Payment Date.

Section 2.03. Redemption of Bonds.

(a) *Optional Redemption.* [TO COME]

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

(b) *Sinking Account Redemption.* The Bonds are subject to mandatory redemption from Sinking Account payments set forth in the following schedule on June 1, ____, and on each June 1 thereafter to and including June 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any Sinking Account redemption date is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and affect as if such payment was made on the Sinking Fund redemption date.

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

† Maturity.

(c) *Notice of Redemption.* The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to the Owners of any Bonds

designated for redemption at their respective addresses appearing on the Registration Books; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and will require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

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

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

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

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

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

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

Section 2.06. Transfer of Bonds.

(a) The Bonds 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 Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

(b) Ownership of the Bonds may be transferred in whole only, but only to a person or persons that the Owner reasonably believes is either:

(i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(ii) an accredited investor as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, or

(iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors;

in each case that executes and delivers to the Trustee an investor letter in substantially the form attached hereto as Exhibit C.

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

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

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

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

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

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY DEBT

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

Section 3.02. Application of Proceeds of Sale.

(a) Upon the receipt of the proceeds of the sale of the Bonds on the Closing Date of \$_____.00 (being the principal amount of the Bonds) the Trustee shall apply the proceeds of sale thereof as follows:

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

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

(b) The Trustee may establish, as it deems necessary, a temporary fund or account on its records to facilitate the deposits and transfers set forth herein.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date six months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account, and the Trustee shall then close the Costs of Issuance Fund.

Section 3.04. Issuance of Parity Debt. In addition to the Bonds, the Successor Agency may issue or incur Parity Debt to refund all or any portion of the Bonds, or previously issued Parity Debt, in each case in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee if (a) the Successor Agency is in compliance with all covenants set forth in this Indenture, (b) the Parity Debt is in compliance with the requirements of section 34177.5(a)(1) of the Dissolution Act, and (c) the Annual Debt Service in each Bond Year following the issuance of such Parity Debt shall be less than or equal to the scheduled Annual Debt Service in each such Bond Year in the absence of such refunding.

The Supplemental Indenture providing for the issuance of the Parity Debt shall provide that:

(a) Interest on the Parity Debt is payable on June 1 and December 1 in each year of the term thereof;

(b) The principal of the Parity Debt is payable on June 1 in any year in which principal is payable;

(c) The trustee for the Parity Debt is the same entity which performs the duties of Trustee for the Bonds; and

(d) A reserve account may, but shall not be required to, be established for the Parity Debt.

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

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Sections 4.02 and 6.06, the Bonds and any Parity Debt shall be equally secured (a) by a pledge of, security interest in and lien on all of the Tax Revenues up to the amount shown in Exhibit D (subject to revision in the event interest on the Bonds is payable at the Default Rate or the Taxable Rate and to account for any other amounts due under this Indenture) but excluding all other Tax Revenues distributed on January 2 and June 1 in each Bond Year; and (b) by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

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

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to section 34170.5 of the Dissolution Act. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency. Amounts in the Redevelopment Obligation Retirement Fund shall be promptly transferred (a) to the Debt Service Fund established and held by the Trustee under this Indenture until such time during such Bond Year as the amounts so transferred to the Debt Service Fund hereunder equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account, the Sinking Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to Section 4.03 of this Indenture up to the amount shown in Exhibit D (subject to revision in the event interest on the Bonds is payable at the Default Rate or the Taxable Rate and to account for any other amounts due under this Indenture) but excluding all other Tax Revenues distributed on January 2 and June 1 in each Bond Year; and (b) for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture. In the event that the amount of Tax Revenues is not sufficient to pay the Bonds and any Parity Debt outstanding, any such insufficiency shall be allocated among the Bonds and any Parity Debt on a *pro rata* basis (based on the amount of debt service coming due during any such period of insufficiency).

Any Tax Revenues received during a Bond Year and held in the Redevelopment Obligation Retirement Fund, to the extent remaining after making the foregoing transfers to the Debt Service Fund and in respect of any Parity Debt in such Bond Year, shall be released from the pledge and lien under this Indenture which secures the Bonds and any Parity Debt and may

be applied for any lawful purposes of the Successor Agency, including but not limited to administrative costs of the Successor Agency.

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

(a) *Interest Account.* On or before the fifth Business Day preceding each Interest Payment Date or date of redemption of the Bonds, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date or date of redemption of the Bonds. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt or date of redemption of the Bonds of the interest coming due on the Bonds to be redeemed. Subject to this Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to this Indenture).

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

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

(d) *Redemption Account.* On or before the fifth Business Day preceding any date on which Bonds are to be optionally redeemed, the Trustee shall withdraw from the Debt Service Fund

and transfer to the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption.

ARTICLE V

OTHER COVENANTS OF THE AGENCY

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

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

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

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

(d) *Payment of Taxes and Other Charges*. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Redevelopment Project, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

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

(separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Tax Revenues and other funds relating to the Redevelopment Project. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a post-audit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency.

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

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

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

(i) **Rebate Requirement**. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor Agency shall determine that any amounts are due and payable to the United States of America hereunder and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account or the Sinking Account and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the Bonds) to make such payment, the Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (A) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established hereunder, plus (B) all other amounts due and payable to the United States of America.

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

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

in the Tax Code or constituting assessments) to persons other than state or local government units.

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

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

(i) *Compliance with Dissolution Act; Recognized Obligation Payment Schedules.* The Successor Agency covenants that it will comply with all of the requirements of the Dissolution Act applicable to it and to the Bonds. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the San Bernardino County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund (as such term is used in the definition “Tax Revenues” in this Indenture) for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to timely pay the principal of, and interest on, all Outstanding Bonds coming due in each Fiscal Year, including any amounts required to replenish a reserve account established for any Parity Debt.

Without limiting the generality of the foregoing, the Successor Agency shall take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2019, in accordance with section 34177 of the Redevelopment Law. For the semiannual period ending each June 30, the Recognized Obligation Payment Schedule shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

(i) from the RPTTF distributed to the Successor Agency on January 2, 100% of the amount of interest on the Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding December 1, plus a reserve for all or a portion of the interest and principal due on June 1, as shown on Exhibit D attached hereto (subject to revision in the event interest on the Bonds is payable at the Default Rate or the Taxable Rate and to account for any other amounts due under this Indenture); and

(ii) any amount then required to replenish the amount in any reserve account established for any Parity Debt.

For the semiannual period ending each December 31, the Recognized Obligation Payment Schedule which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the remaining principal and interest due on the Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding June 1 as shown on Exhibit D hereto (subject to revision in the event interest on the Bonds is payable at the Default Rate or the Taxable Rate and to account for any other amounts due under this Indenture), and not received or reserved in the period ending June 30.

The foregoing actions shall include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and the

California Department of Finance, to the extent required, the amounts to be held by the Successor Agency as a reserve for the timely payment of principal of and interest on the Bonds and all Outstanding Parity Debt coming due in the succeeding Fiscal Year.

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

(k) *Reporting Requirements.* The Successor Agency hereby covenants and agrees that it will provide to the Owner:

(i) the Comprehensive Annual Financial Report (CAFR) of the Town within nine months after the end of each fiscal year, which shall include audited financial statements of the Town, including the Successor Agency, with a standard opinion provided by the auditor in accordance with Generally Accepted Accounting Principles including required supplemental information;

(ii) a Report of an Independent Redevelopment Consultant or certification of the Successor Agency (A) demonstrating the ratio of Tax Revenues to scheduled debt service on the Bonds, any Outstanding Bonds and any subordinate obligations for the prior fiscal year, and (B) the remaining tax increment distributed to public entities; (C) assessed valuation of the taxable property in the Redevelopment Project for the prior Fiscal Year, (D) and the top ten taxpayers as shown on the records of the County Assessor for such period and percent of gross revenues from each; (E) gross increment tax revenues for the prior fiscal year and details on any pass-throughs in such fiscal year; and (F) such additional information with respect to the Redevelopment Project, the Successor Agency or Tax Revenues as the Owner may from time to time reasonably request. Upon written notice to each Bondowner, any information to be provided pursuant to this covenant may be provided directly to the Owner or may be disseminated through the dissemination services provided through EMMA;

(iii) As soon as practicable, but no later than within nine months after the end of each fiscal year, a copy of the State Department of Finance approved ROPS filing in the event the information cannot be obtained through the State Department of Finance at <http://www.dof.ca.gov/redevelopment/ROPS/view.php>;

(iv) within nine months after the end of each fiscal year or as soon thereafter as such documents become available, copies of the Department of Finance Distribution Reports for the prior fiscal year from the County Auditor-Controller ; and

(v) immediately upon the Successor Agency's knowledge thereof, notices of (A) any default on any debt obligation, (B) Material Litigation, (C) material governmental proceedings, (D) Material Adverse Effect, or (e) a Determination of Taxability.

(l) *Event of Default.* The Successor Agency shall immediately notify the Trustee and the Owner by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an event of default under any obligation or this Indenture, together with a detailed statement by an authorized representative of the Successor Agency of the steps being taken by the Successor Agency to cure the effect of such event of default.

(m) *Action, Suit or Proceeding.* The Successor Agency shall promptly notify the Trustee in writing (and the Trustee shall in turn notify the Bondowners) (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the Successor Agency which involve claims equal to or in excess of \$100,000 or that seeks injunctive relief, any material litigation and the occurrence of any Material Adverse Change.

(n) *Costs and Expenses.* Subject to the following sentence, the Successor Agency agrees to pay the reasonable out-of-pocket expenses and disbursements of the Owners and the necessary and reasonable fees, expenses and disbursements of counsel to the Owners in connection with (A) obtaining any waiver or consent under this Indenture (whether or not the transactions contemplated thereby shall be consummated) or any Event of Default hereunder, (B) the preparation, execution, delivery, administration, defense and enforcement or preservation of rights in connection with a workout, restructuring or waiver with respect to the Bonds, and (C) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

(o) *Indemnification.* The Successor Agency covenants and agrees to indemnify and hold harmless, to the extent permitted by law, the Owner and its incorporators, members, commissioners, directors, officers, agents and employees (collectively, the "Owner Indemnified Persons") against all liability, losses, damages, all reasonable costs and charges (including reasonable fees and disbursements of attorneys, accountants, consultants and other experts), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Indenture or the Bonds is a part, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the operation of the Redevelopment Project; (ii) any violation of contract, agreement (including this Indenture) or restriction relating to the Redevelopment Project; or (iii) the carrying out of any of the transactions contemplated by this Indenture, the Bonds and all documents related thereto.

(p) *Protection of Tax Revenues.* The Successor Agency shall not enter into any agreement with any other governmental entity, or amend any such agreement, if such agreement or amendment would have the effect of reducing the amount of Tax Revenues available to the Successor Agency for the payment of principal or interest payments on the Bonds or other payments required by this Indenture or any Supplemental Indenture without the prior written consent of the Owner.

ARTICLE VI
THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, 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 6.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall immediately appoint a successor Trustee by an instrument in writing.

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

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

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

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

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

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful 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 in good faith, unless it can be proven that the Trustee shall have been negligent in ascertaining the pertinent facts.

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

(d) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful 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, except failure to cause to be made any of the payments required to be made to the Trustee, unless the Trustee shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the 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 Bond Owners with respect to the payment of debt service by the Successor Agency or with respect to the observance or performance by the Successor Agency 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 shall be entitled to opinion and advice of counsel concerning all matters of trust and its duties hereunder. The Trustee shall not be responsible for the negligence or willful misconduct of any agent, attorney or receiver appointed with due care by it hereunder.

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

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

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

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

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

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

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized

to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

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

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

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

Section 6.07. Deposit and Investment of Moneys in Funds. Subject to the provisions of Article IV hereof, all moneys held by the Trustee shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any fund or account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall invest such moneys solely in Permitted Investments described in the Wells Fargo Government Money Market Fund.

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

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

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

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

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations hereunder, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

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

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

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

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

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default 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 or sinking fund payment of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

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

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

Notwithstanding the foregoing, in the event the Successor Agency fails to file a Recognized Obligation Payment Schedule within the time required by the Dissolution Act, as it may be amended from time to time, the Owner shall have the right to file a writ of mandate to enforce the Successor Agency's obligation to file such Recognized Obligation Payment Schedule in accordance with Section 5.01(i) hereof and the Dissolution Act.

From and during the continuance of an Event of Default, the Bonds shall, at the option of the Owner, bear interest at the Default Rate.

If an Event of Default has occurred under this Section 8.01 and is continuing, the Trustee may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) the Trustee shall, subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Promptly upon receiving written notice of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone

confirmed in writing. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall accrue at the Default rate (at the option of the Owner); provided 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 expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel) to and any and all other defaults of which the Trustee has notice (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, with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

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

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

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

Section 8.03. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for

any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made Written Request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such Written Request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section 8.03 or any other provision of this Indenture.

Section 8.04. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.05. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Debt shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the

Trustee as such attorney-in-fact; *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel).

Section 8.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.07. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Successor Agency, the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation of this Indenture, and all covenants, stipulations, promises and agreements in this Indenture shall be for the sole and exclusive benefit of the Successor Agency, the Trustee, their officers, employees and agents, and the Owners.

ARTICLE 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 and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners.

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

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

(b) by irrevocably depositing with the Trustee or another fiduciary, 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 the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

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

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

be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge.

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.

To accomplish defeasance the Successor Agency shall cause to be delivered (i) a Report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency and the Trustee.

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

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

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

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

Section 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 Town (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency shall specify to the Trustee those Bonds disqualified pursuant to this Section 9.05.

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 any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant

to the provisions of this Indenture, the Trustee shall cancel such bonds and dispose of such bonds in a manner deemed appropriate by the Trustee.

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

If to the Successor Agency: Successor Agency to the Former Yucca Valley Redevelopment Agency
c/o Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284
Attention: Town Manager
Phone: (760) 369-7207

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Corporate Trust Department
Phone: (213) 630-____

If to the Original Purchaser: _____

Attention: _____
Phone: (____) ____ - ____

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

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

Section 9.10. Unclaimed Moneys. Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the

Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed in the State.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by its officer thereunto duly authorized and attested by its Secretary, 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
YUCCA VALLEY REDEVELOPMENT
AGENCY

By _____
Executive Director

Attest:

Secretary

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

By: _____
Vice President

EXHIBIT A
FORM OF SERIES A BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF KERN

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 2.06 OF THE INDENTURE DESCRIBED HEREIN.
--

SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY
Tax Allocation Refunding Bond, Series 2018

INTEREST RATE	MATURITY DATE	DATED DATE
_____%	June 1, 2026	July 10, 2018

REGISTERED OWNER: _____

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before November 15, 2018, in which event it shall bear interest from the Dated Date above; *provided however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1, commencing December 1, 2018, or, if such day is not a Business Day (as such term is defined in the Indenture, hereinafter defined), on the next succeeding Business Day (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months.

From and after a Determination of Taxability the Bonds shall, at the option of the Registered Owner, bear interest at the Taxable Rate specified in the Indenture. Further, from and during the continuance of an Event of Default under the Indenture, the Bonds shall, at the option of the Owner, bear interest at the Default Rate specified in the Indenture.

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

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018" (the "Bonds"), of an aggregate principal amount of _____ dollars (\$_____), all of like tenor and date and issued pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code and pursuant to Resolution No. ____ of the Successor Agency, adopted on April 3,, 2018, and Resolution No. ____, adopted by the Oversight Board on April __, 2018, and an Indenture of Trust, dated as of July 1, 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 be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law") for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to (a) prepay an existing obligation of the Successor Agency, and (b) pay certain expenses of the Successor Agency in issuing the Bonds.

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

There has been created and will be maintained by the Successor Agency, the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment of the principal of and the interest and redemption premium, if any, on the Bonds and any Parity Debt (as defined in the Indenture) when due. As and to the extent set forth in the Indenture, all such Tax Revenues are pledged, in accordance with the terms and provisions of the Indenture and the Redevelopment Law, for the security and payment of the Bonds and any Parity Debt. In addition, the Bonds and any Parity Debt are secured by a pledge of, security interest in and lien upon moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account and the Redemption Account (as such terms are defined in the Indenture), all to the extent set forth 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 be liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

[OPTIONAL REDEMPTION PROVISIONS]

The Bonds are subject to mandatory redemption from Sinking Account payments set forth in the following schedule on June 1, ____, and on each June 1 thereafter to and including June 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any Sinking Account redemption date is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and affect as if such payment was made on the Sinking Fund redemption date.

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

† Maturity.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) 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.

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

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

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

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

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

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

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

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

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 Yucca Valley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of Dated Date stated above.

SUCCESSOR AGENCY TO THE FORMER
YUCCA VALLEY REDEVELOPMENT
AGENCY

By: _____
Executive Director

Attest:

By: _____
Secretary

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

ASSIGNMENT

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

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

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

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT B
FORM OF PURCHASER'S LETTER

Successor Agency to the Former Yucca Valley Redevelopment Agency
57090 Twentynine Palms Highway
Yucca Valley, CA 92284

Re: [Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018] or [Successor Agency to the Former Yucca Valley Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2018B]

Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of the above-referenced bonds (the "Bonds") does hereby certify, represent and warrant for the benefit of the Successor Agency to the Former Yucca Valley Redevelopment Agency (the "Successor Agency") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") that:

(a) The Purchaser (MARK OR INDICATE APPROPRIATELY):

is a qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"),

is an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an "Accredited Investor"), or

is a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors.

(b) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(c) The Purchaser is not now and has never been controlled by, or under common control with, the Successor Agency. The Successor Agency has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the Successor Agency or with any affiliate in connection with the Bonds, other than as disclosed to the Successor Agency.

(d) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The individual who is signing this letter on behalf of the Purchaser is a duly appointed, qualified, and acting officer of

the Purchaser and is authorized to cause the Purchaser to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

(e) The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(f) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.06 of the Indenture of Trust, dated as of July 1, 2018, by and between the Successor Agency and the Trustee (the "Indenture"), including in certain circumstances the requirement for the delivery to the Successor Agency and the Trustee of an investor's letter in the same form as this Investor's Letter, including this paragraph. Failure to comply with the provisions of Section 2.06 of the Indenture shall cause the purported transfer to be null and void.

(h) Neither the Trustee nor Bond Counsel, or any of their employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Successor Agency or its financial condition, the provision for payment of the Bonds, or the sufficiency of any security therefor. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds.

(i) The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the Successor Agency has not undertaken to provide any continuing disclosure with respect to the Bonds, except as otherwise provided in the Indenture.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By _____
Name _____
Title _____

EXHIBIT C

RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE

RESOLUTION NO. SA-18-03

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY, APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, AN ESCROW AGREEMENT AND A BOND PURCHASE AGREEMENT RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS RELATING THERETO

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

WHEREAS, a redevelopment plan for the Former Agency's Yucca Valley Redevelopment Project No. 1 in the Town of Yucca Valley (the "Town") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Yucca Valley Redevelopment Agency (San Bernardino County, . California) Tax Allocation Bonds, Series 2008 (the "2008 Bonds") to finance and refinance redevelopment activities within and for the benefit of the Redevelopment Project;

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bond, the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the refunding bonds to repay or defease all or a portion of the 2008 Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2008

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2008 Bonds will satisfy the Savings Parameters;

WHEREAS, the Successor Agency desires at this time to authorize the issuance of its Successor Agency to the Former Yucca Valley Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, to refund the 2008 Bonds (the "Bonds"), pursuant to an indenture of trust (the "Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

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

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

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

WHEREAS, the Successor Agency has determined to sell the Bonds to an institutional investor (the "Purchaser") to be selected pursuant to a competitive process by Hilltop Securities Inc., as placement agent to the Successor Agency;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE FORMER YUCCA VALLEY REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Bonds to provide funds to refund and defease the 2008 Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency Secretary, which Debt Service Savings Analysis is hereby approved.

SECTION 2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$8,500,000, provided that the Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

SECTION 3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Bonds and the application of the proceeds of the Bonds in the form on file with the Secretary of the Successor Agency. The Chair of the Successor Agency, the Executive Director of the Successor Agency and the Treasurer of the Successor Agency (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed to execute and deliver, and the Secretary of the Successor Agency is hereby authorized and

directed to attest to such signatures on, the Indenture for and in the name and on behalf of the Successor Agency in such form, together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Escrow Agreement. The form of escrow agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank, relating to the defeasance of the 2008 Bonds (the "Escrow Agreement"), in the form on file with the Secretary of the Successor Agency, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement.

SECTION 5. Approval of Bond Purchase Agreement. The form of bond purchase and rate lock agreement, by and between the Successor Agency and the Purchaser (the "Bond Purchase Agreement"), in the form on file with the Successor Agency Secretary, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Bond Purchase Agreement in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Successor Agency hereby authorizes the delivery and performance of the Bond Purchase Agreement.

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

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

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

(b) The application of the proceeds of the Bonds by the Successor Agency to the

prepayment and defeasance, as applicable, of the 2008 Bonds, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the San Bernardino County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees and auditing and fiscal consultant fees (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to section 34183. In addition and as provided by section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the 2008 Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

SECTION 8. Filing of Debt Service Savings Analysis and Resolution. The Secretary of the Successor Agency is hereby authorized and directed to cause the Municipal Advisor to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in section 34180(j) with the San Bernardino County Administrative Officer, the San Bernardino County Auditor-Controller and the California Department of Finance.

SECTION 9. Designation of Consultants.

(a) Wulff Hansen & Co. is hereby designated as municipal advisor to the Successor Agency in connection with the issuance of the Bonds. The Executive Director of the Successor Agency or his designee is hereby authorized to execute an agreement for financial advisory services with such firm in the form on file with the Secretary of the Successor Agency.

(b) Quint & Thimmig LLP is hereby designated as bond counsel to the Successor Agency in connection with the issuance of the Bonds. The Executive Director of the Successor Agency or his designee is hereby authorized to execute an agreement for legal services with such firm in the form on file with the Secretary of the Successor Agency.

(c) Hilltop Securities Inc. is hereby designated as placement agent to the Successor Agency in connection with the issuance of the Bonds. The Executive Director of the Successor Agency or his designee is hereby authorized to execute an agreement for placement with such firm in the form on file with the Secretary of the Successor Agency.


(d) HdL Coren & Cone is hereby designated as fiscal consultant to the Successor Agency in connection with the issuance of the Bonds. The Executive Director of the Successor Agency or his designee is hereby authorized to execute an agreement with such firm in the form on file with the Secretary of the Successor Agency.

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

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

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

PASSED, APPROVED, AND ADOPTED this 3rd day of April, 2018.



AGENCY CHAIR

ATTEST:



AGENCY SECRETARY

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

SUCCESSOR AGENCY TO THE FORMER RDA

I, Lesley R. Copeland, Town Clerk of the Town of Yucca Valley, California do hereby certify that Resolution No. SA-18-03 was duly and regularly adopted by the Town Council of the Town of Yucca Valley, California, acting as Successor Agency to the Yucca Valley Redevelopment Agency, at a meeting thereof held on the 3rd day of April, 2018, by the following vote:

AYES: Council Members Abel, Drozd, Leone, Lombardo and Mayor Denison

NOES: None

ABSTAIN: None

ABSENT: None



Lesley R. Copeland, CMC
TOWN CLERK