



**OVERSIGHT BOARD OF SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF HUNTINGTON PARK**

The Office of Finance
Agenda Report

January 25, 2016

Honorable Chair and Members of the Oversight Board
6550 Miles Avenue
Huntington Park, CA 90255

Dear Honorable Chair and Members

APPROVE RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, AUTHORIZING THE ISSUANCE OF ITS SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK TAX ALLOCATION REFUNDING BONDS (FEDERALLY TAXABLE); AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, ESCROW INSTRUCTIONS, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENT AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Adopt Resolution No. 2016-01 that:

- (a) Approves and authorizes the issuance of Tax Allocation Refunding Bonds Series 2016 (Federally Taxable) (the "2016 Bonds");
- (b) Approves and authorizes the execution and delivery of the following documents:
 - A. Trust Indenture
 - B. Escrow Instructions
 - C. Official Statement
 - D. Bond Purchase Agreement
 - E. Continuing Disclosure Agreement;
- (c) Authorizes the Executive Director and certain officers of the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Agency") to take all actions necessary to carry out the refinancing; and
- (d) Approves bond issuance services for Bond Counsel, Special Tax Counsel, Authority Counsel, Underwriter's Counsel, Financial Advisor and/or Pricing Advisor, Fiscal Consultant, Verification Agent and any other services that may need to be procured in connection with the delivery of the 2016 Bonds.

APPROVE RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, AUTHORIZING THE ISSUANCE OF ITS SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK TAX ALLOCATION REFUNDING BONDS (FEDERALLY TAXABLE); AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, ESCROW INSTRUCTIONS, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENT AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

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Summary

This is the third bite at the apple for a transaction that if approved by internal and external stakeholders, and if executed upon by the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Agency”), would accomplish critical legal, financial and policy objectives of both the Successor Agency and the City of Huntington Park (the “City”).

Full execution of this financing further relies upon approval by the Oversight Board, the strong support of the plan of finance by the County of Los Angeles (the “County”) and ultimate approval by the State of California Department of Finance (“DOF”). Together with our financing team, finance staff is engaged with the County and have forwarded all financing documents and other information as required in connection with the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 TABs”), the related Huntington Park Public Financing Authority (“HPPFA”) Series 2004 Bonds (the “2004 Bonds”) and the resulting yield reduction liability to the Internal Revenue Service. We await and expect the County’s buy-in providing that they conclude, as the financing team has, that there is no trigger of the County’s deferral. The County, along with other overlapping tax entities would benefit from savings realized as a result of the issuance of Successor Agency to the Community Development Commission of the City of Huntington Park Tax Allocation Refunding Bonds (Federally Taxable) (the “2016 Bonds”) and the refunding of the 1994 TABs and the related 2004 Bonds.

Background

The Successor Agency and Oversight Board authorized the issuance of refunding bonds relating to the 2004 Bonds and 2007 Lease Revenue Bonds on September 7, 2014, and September 21, 2014, respectively. That financing was not approved by the DOF, which had interpreted the obligations, including the yield reduction liability to the Internal Revenue Service, as improperly presented for refunding under the terms of the redevelopment refunding laws. On January 20, 2015, we sought authorization for the issuance of approximately \$30,500,000 Huntington Park Public Financing Authority Bonds, Series 2015 (the “2015 Bonds”) as an alternative approach to meet City and Successor Agency objectives. In consideration of a rating for the 2015 Bonds, Standard & Poor’s required the County’s approval. The County was opposed to a financing that they believed might impair their own interests.

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The County's position, while somewhat disappointing, was not entirely detrimental to the Successor Agency or the City. DOF had instructed the Successor Agency to place its 1994 TABs on the recognized obligation payment schedule ("ROPS") and remove the 2004 TABs. The expected result was that the redevelopment property tax trust fund receipts ("RPTTF") associated with debt service on the 1994 TABs would be in excess of the required debt service payment on the 2004 Bonds. That excess cash flow over the next 6 years would approximate \$6.6 million that could be used to satisfy IRS obligations and be spent on capital projects of the HPPFA. The excess cash flow is properly payable to the HPPFA and overlapping taxing entities would have no claim to such revenues. This remains our "Do Nothing" Scenario, but one not without unknowns and/or potential risks. Thus, issuance of the 2016 Bonds explains our motivation to control certain outcomes for the City's benefit and the motivation of the County to support in this effort as a refinancing of the 1994 TABs would generate beneficial savings to be shared with our overlapping tax partners.

The Plan of Finance

The HPPFA is the owner of the 1994 TABs¹. Therefore, as owner of the 1994 TABs, the HPPFA would, and does, receive 100% of payments of principal of and interest on the 1994 TABs. As the following table depicts, principal on the 1994 TABs exceed principal on the 2004 Bonds.

¹ *Immediately upon their issuance, the 1994 TABs were sold to, in connection with the issuance by, the Huntington Park Public Financing Authority (the "HPPFA") of its \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A (the "1994 Series A Bonds"), its \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B (the "1994 Series B Bonds"), and its \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (the "1994 Series C Bonds," and together with the 1994 Series A Bonds and the 1994 Series B Bonds, the "1994 Bonds"), payable from principal of and interest payments on the 1994 TABs. The 2004 Bonds refunded and defeased outstanding 1994 Bonds except for certain maturities which have now matured, with the HPPFA retaining ownership of the 1994 TABs.*

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	1994 TABS (Agg. Outstanding)	2004 Revenue Bonds (Agg. Outstanding)	Difference
3/1/2016	29,065,000	24,600,000	4,465,000
9/1/2016	29,065,000	24,600,000	4,465,000
3/1/2017	23,615,000	20,450,000	3,165,000
9/1/2017	23,615,000	20,450,000	3,165,000
3/1/2018	17,635,000	16,095,000	1,540,000
9/1/2018	17,635,000	16,095,000	1,540,000
3/1/2019	11,055,000	11,510,000	(455,000)
9/1/2019	11,055,000	11,510,000	(455,000)
3/1/2020	8,560,000	8,845,000	(285,000)
9/1/2020	8,560,000	8,845,000	(285,000)
3/1/2021	5,895,000	6,040,000	(145,000)
9/1/2021	5,895,000	6,040,000	(145,000)
3/1/2022	3,045,000	3,095,000	(50,000)
9/1/2022	3,045,000	3,095,000	(50,000)

By taking the 2004 Bonds out of the market with the issuance of federally taxable 2016 Bonds (as opposed to tax-exempt bonds), it would halt any additional accruing liability. The liability amount calculated to be due to the IRS on March 1, 2016, an estimated closing date, is \$1.3 million and less than the overall amount calculated to be due through maturity of 2004 Bonds in 2022.

As a result of lower debt service associated with the issuance of the 2016 Bonds (as opposed to debt service on the 1994 TABs which are proposed to be refunded in full), the overlapping taxing entities derive savings benefits. Based on current interest rates, the following table summarizes the 2016 Bonds' Sources and Uses of Proceeds:

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Source of Funds		
	2016 Refunding Escrow	\$29,065,000
Total Source		\$29,065,000
Uses of Funds		
	2004 HPPFA Defeasance	\$24,846,000
	Reimbursement to City	3,280,208
	YRP to IRS at Closing	1,271,779
Total Uses		\$29,397,987
	Excess/(Shortfall) ²	(\$332,987)

Achieving Legal, Financial and Policy Goals

Notwithstanding that the financing team has had to retool each plan of finance, the objectives have remained the same:

1. ***Satisfying the IRS Liability and Providing Reimbursement to the City.*** The longer the 2004 Bonds are outstanding, the larger the IRS liability. If we are able to close the transaction on March 1, 2016, the amount owed to the IRS at closing is calculated to be \$1.3 million. Should the transaction close earlier or later than March 1, the liability will either decrease or increase.

The 2004 Bonds generated a substantial yield reduction penalty owed to the IRS as the escrow was purchased at a yield substantially higher than the yield on the 1994 Bonds. The result was yield reduction penalty of approximately \$6.4 million were the escrow intact through 2022. The City's payments to the IRS to date total \$3.2 million of that penalty to date. This transaction would permit reimbursement of most of that liability.

2. ***Removing the City's General Fund Pledge.*** The City lent its general fund as credit support to the 2004 Bonds. Each principal payment date, the City transfers approximately \$900,000 in addition to the debt service payment made by the Agency to the Trustee. With defeasance of the 2004 Bonds, the City's General Fund commitment is eliminated.

² Essentially offset by the net amount of the net settlement received from BB&K.

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3. ***Achieving the Minimum Savings Thresholds.*** Important to our overlapping taxing entities is the viability of any refinancing undertaken by related successor agencies. By reducing debt service with the issuance of the 2016 Bonds, the overlapping taxing entities share approximately \$2.28 million in cash flow savings or \$2.09 million in present value savings. The City's share of savings is 7.38% or approximately \$154,500 on a present value basis.

Refunding viability or efficiency is measured as a percentage of savings derived (usually in the 3% - 5% range is the standard for issuers). Based on current interest rates, the refinancing of the 1994 TABs results in savings of 7.21% of refunded par. The following table summarizes financing results:

2016 Refunding Tax Allocation Bonds (Federally Taxable)	
<i>Par Amount</i>	\$29,945,000
<i>Final Maturity</i>	2022
<i>True Interest Cost</i>	3.33%
<i>Present Value Savings</i>	\$2,093,158
<i>City's share of PV Savings (7.38%)</i>	\$154,475
<i>Savings as a % of Refunded Bonds</i>	7.21%

The final savings amount will depend on the market interest rates in effect at the time the 2016 Bonds. The source of repayment for the 2016 Bonds will be RPTTF.

REQUIRED APPROVALS AND AUTHORIZATIONS

In order to move forward with the financing, certain authorizations and approvals are necessary:

1. Authorization of the Chair of the Successor Agency, the Interim Executive Director, the Interim Finance Director, and other authorized officers to execute and deliver all documents as required and to take any actions necessary in delivering the Refunding Bonds on behalf of the Authority;
2. Approval of the issuance of the Refunding Bonds;
3. Approval of an Indenture in substantially final form and the execution of 2016 Bonds.
4. Approval of a Bond Purchase Agreement in substantially final form.
5. Approval of Escrow Instructions.
6. Approval of a Continuing Disclosure Agreement in substantially final form.

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7. Approval of a Preliminary Official Statement in substantially final form.
8. Approval of the following bond issuance services for Underwriter, Bond Counsel, Special Tax Counsel, Authority Counsel, Financial Advisor/Pricing Advisor, Verification Agent and any other professional services firms to the extent needed to deliver the 2016 Bonds.

The Successor Agency will incur various costs associated with the issuance of the refunding bonds. All of the parties involved in the refunding effort are paid on a contingency basis, with the exception of the Fiscal Tax Consultant and Financial Advisor. In the case of the Series 2016 Bonds, the costs incurred on this transaction are greater than those typically expected in that the financing team has essentially worked on two rather than one financing. Cost of issuance approximates \$300,000.

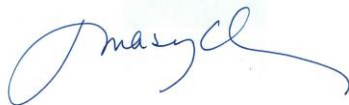
CONCLUSION AND NEXT STEPS

We await the County's express approval and will present the same information here to the Oversight Board at its January 13th meeting.

Respectfully submitted,



EDGAR P. CISNEROS
Executive Director



Jan Mazyck
Interim Finance Director

ATTACHMENTS

- A. Resolution No. 2015-06
- B. Indenture
- C. Escrow Instructions
- D. Bond Purchase Agreement
- E. Continuing Disclosure Agreement

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F. Preliminary Official Statement

INDENTURE OF TRUST

by and between

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF HUNTINGTON PARK**

and

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

Dated as of ____ 1, 2016

relating to

**Successor Agency to the
Community Development Commission of the City of Huntington Park
Tax Allocation Refunding Bonds**

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THIS INDENTURE OF TRUST, dated as of ____ 1, 2016 (the “Indenture”), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized under the laws of the United States of America (the “Trustee”) and the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK (the “Successor Agency”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California,

W I T N E S S E T H:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the City Council of the City of Huntington Park (the “City”) created the former Community Development Commission of the City of Huntington Park (the “Former CDC”); and

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

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the Successor Agency) to the Former CDC commencing upon the dissolution of the Former CDC on February 1, 2012 pursuant to Assembly Bill XI 26 (“AB 26”); and

WHEREAS, Assembly Bill No. 1484 (“AB 1484”), a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, by the adoption of Ordinance No. 66-NS on December 20, 1971, the City duly established its Central Business District Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 167-NS on May 25, 1977, the City duly established its Industrial Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 261-NS on July 7, 1980, the City duly established its North Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 372-NS on December 3, 1984, the City duly established its Santa Fe Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 468-NS on February 5, 1990, the Former CDC merged its Central Business District Redevelopment Project, Industrial Redevelopment Project and North Redevelopment Project (as merged, the “Merged Redevelopment Project”) for the purposes of allocating tax increment revenues, such that tax increment revenues allocated to the Former CDC attributable to each of the redevelopment projects so merged may be allocated to the Merged Redevelopment Project for the purpose of paying certain existing indebtedness or to refinance such indebtedness; and

WHEREAS, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other

indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, in 1994 the Former CDC issued its Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 CDC Bonds”) attributable to the Merged Redevelopment Project, pursuant to a Fiscal Agent Agreement, dated as of May 1, 1994 (the “Fiscal Agent Agreement”), between the Former CDC and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”); and

WHEREAS, immediately upon their issuance, the 1994 CDC Bonds were sold to, in connection with the issuance by, the Huntington Park Public Financing Authority (the “HPPFA”) of its \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A (the “1994 Series A Bonds”), its \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B (the “1994 Series B Bonds”), and its \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (the “1994 Series C Bonds,” and together with the 1994 Series A Bonds and the 1994 Series B Bonds, the “1994 Bonds”), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the 1994 Bonds were issued under an Indenture of Trust, dated as of May 1, 1994 (the “1994 Indenture”), between the HPPFA and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as trustee (the “1994 Authority Trustee”); and

WHEREAS, in 2004 the HPPFA issued its \$55,875,000 Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “2004 Bonds”) for the purpose of refunding and defeasing all of the outstanding 1994 Bonds (but for certain then outstanding 1994 Series C Zero Coupon Bonds which would remain outstanding until their respective maturity dates, which dates have passed), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the 2004 Bonds were issued under an Indenture of Trust, dated as of June 1, 2004 (the “2004 Indenture”), between the HPPFA and U.S. Bank National Association, as trustee (the “2004 Authority Trustee”); and

WHEREAS, in connection with the issuance of the 2004 Bonds, the 1994 CDC Bonds were transferred by the 1994 Authority Trustee, together with all possession of and right, title and interest therein, to the 2004 Authority Trustee to provide for payment of obligations with respect to the 2004 Bonds as provided in the Instruction Agreement, dated June 17, 2004 (the “2004 Instruction Agreement”) among the HPPFA, the Former CDC, the 1994 Authority Trustee and Fiscal Agent; and

WHEREAS, the 2004 Bonds are further supported by payments under the Assistance Agreement, dated as of June 1, 2004 (the “2004 Assistance Agreement”) between the Former CDC and the City; and

WHEREAS, as provided in the Fiscal Agent Agreement and the 2004 Assistance Agreement, current costs of the 1994 CDC Bonds include a transferred proceeds penalty due to the Internal Revenue Service in an amount up to \$3.4 million (the “IRS Liability”), which amount will be due and payable at, and not later than 60 days following, the refunding of the 2004 Bonds, and constitutes an enforceable obligation of the Successor Agency which amount may be paid (i) as costs of the refunding or (ii) from a

portion of the redemption price of the 1994 CDC Bonds advanced to the HPPFA in accordance with the Fiscal Agent Agreement; and

WHEREAS, the 1994 CDC Bonds are subject to optional redemption on any date at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the 2004 Bonds are subject to optional redemption on any date on or after September 1, 2015 through August 31, 2016 at a redemption price equal to 101% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the redemption price of the 1994 CDC Bonds will generate a redemption price in excess of the redemption price of the 2004 Bonds; and

WHEREAS, the Successor Agency desires to undertake the refunding of its obligations under its 1994 CDC Bonds and 2004 Assistance Agreement (together, the "Refunded Obligations") and, by extension, effect a refunding of the 2004 Bonds, and the IRS Liability; and

WHEREAS, the Successor Agency has determined to issue its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the "Series 2016 Bonds"), in order to refund the Refunded Obligations, fund a reserve account and pay the costs of issuance of the Series 2016 Bonds; and

WHEREAS, the Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues (as defined herein) and certain moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

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

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

ARTICLE I

DEFINITIONS; EQUAL SECURITY

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

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

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

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

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

“Bond Insurance Policy” shall mean the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and the interest when due on the Insured Series 2016 Bonds.

“Bond Insurer” or “_____” shall mean _____, or any successor thereto or assignee thereof, as insurer of the Insured Series 2016 Bonds and issuer of the Reserve Policy.

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

“Bonds” shall mean the Series 2016 Bonds and all Additional Bonds.

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

“City” shall mean the City of Huntington Park, California, or any successor entity.

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

“Compliance Costs” shall mean those costs incurred by the Successor Agency, the Trustee, the Fiscal Agent, any escrow bank and the City in connection with their compliance with the Indenture, the Escrow Instructions and the Continuing Disclosure Certificate that are chargeable against the Redevelopment Property Tax Trust Fund as provided in Section 5.01 and 6.16, including legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, amounts to reimburse the Bond Insurer for draws on the Bond Insurance Policy including, without limitation, Administrative Costs (as defined herein), Reimbursement Amounts (as defined herein), any amount required under this Indenture to replenish the Reserve Account and to reimburse the Bond Insurer in connection with the Bond Insurance Policy and the Reserve Policy and other Qualified Reserve Account Credit Instrument (including, without limitation, Policy Costs, as defined herein), obligation prepayment costs, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 of this Indenture and the Tax Certificate.

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

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

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

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Continuing Disclosure Certificate” shall mean that Continuing Disclosure Certificate, by and between the Successor Agency and the Dissemination Agency, dated as of ____ 1, 2016, relating to the Series 2016 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” shall mean such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being such office located in Los Angeles, California except that with respect to presentation of Bonds for registration, payment, redemption, transfer or exchange, such terms shall mean the office of the Trustee in St. Paul, Minnesota, or such other office designated by the Trustee from time to time as its Corporate Trust Office.

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

“Costs of Issuance” shall mean all items of expense directly or indirectly payable by or reimbursable to the Successor Agency and related to the authorization, execution and delivery of this Indenture, the Bond Purchase Agreement, the Escrow Instructions(s), the Continuing Disclosure Certificate and the sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, initial and administrative fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and expenses of the underwriter, fees and charges for preparation, execution and safekeeping of the Bonds, fees of the Successor Agency and any other cost, charge or fee in connection with the original execution and delivery of the Bonds.

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

“County Auditor-Controller” shall mean the Auditor-Controller of the County of Los Angeles.

“County Treasurer and Tax Collector” shall mean the Treasurer and Tax Collector of the County of Los Angeles.

“Dissemination Agent” shall mean _____.

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

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

“Escrow Instructions” shall mean the Request of the Successor Agency and Instruction for Deposit and Discharge, in the form of written direction in a Written Request of the Successor Agency with respect to the 1994 CDC Bonds, the 2004 Assistance Agreement and the IRS Liability delivered at closing of a Series of Bonds.

“Excess Investment Earnings” shall mean an amount required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code.

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

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

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

“Former CDC” shall mean the former Community Development Commission of the City of Huntington Park, created by the City Council of the City.

“HPPFA” shall mean the Huntington Park Public Financing Authority.

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

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

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

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

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

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

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

(1) is in fact independent and not under the domination of the Successor Agency;

(2) does not have any substantial interest, direct or indirect, with the Successor Agency; and

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

“Insured Series 2016 Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) maturing on September 1 in the years 20__ through 20__.

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

“Interest Payment Date” shall mean any March 1 or September 1 on which interest on any Series of Bonds is scheduled to be paid, commencing _____ 1, 2016, with respect to the Series 2016 Bonds.

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

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

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

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

“1994 CDC Bonds” shall mean the Successor Agency’s outstanding obligations as defined in the Recitals to this Indenture.

“Officer’s Certificate” shall mean a certificate signed by the Chairperson of the Successor Agency, [the Executive Director and any Interim Executive Director of the Successor Agency, the City’s Assistant City Manager/Finance Director, the City’s Community Development Director] and the Secretary of the Successor Agency acting for and in the name of the Successor Agency.

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

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

“Oversight Board” shall mean the City of Huntington Park Oversight Board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

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

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

“Permitted Investments” shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties:

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

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- Farmers Home Administration
Certificates of beneficial ownership
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)

GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates

- U.S. Department of Housing & Urban Development
Local authority bonds

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

(3) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by S&P and “A-1” or better rating for the issuer’s short-term debt as provided by S&P.

(4) The Los Angeles County Treasury Pool.

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

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

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

(8) Pre-refunded municipal obligations rated “AAA” by S&P meeting the following requirements:

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

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

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

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

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

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

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

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

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

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

"Plan Limit" shall mean the redevelopment plan limit specified in the Redevelopment Plan.

"Pledge Statute" shall mean California Health and Safety Code Section 34177.5(g).

"Prepayment" shall mean, for any Series 2016 Bond, any amounts representing an optional redemption of such Series 2016 Bond pursuant to subsection (c) of Section 2.04, consisting of the principal amount of such Series 2016 Bond, accrued interest thereon, if any, and the premium paid upon such optional redemption.

"Principal Account" shall mean the account maintained within the Special Fund pursuant to Section 5.03 of the Indenture.

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

"Principal Corporate Trust Office" shall mean the office of the Trustee in Los Angeles, California, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office of the Trustee in St. Paul, Minnesota, or such other offices as it shall designate from time to time.

"Principal Payment Date" shall mean any September 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on September 1, 20__ with respect to the Series 2016 Bonds.

“Project Area” shall mean the territory comprising the [Merged Redevelopment Project and Santa Fe Project Area], as described in the respective Redevelopment Plans.

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

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

“Rebate Requirement” shall mean the Rebate Requirement defined in the Tax Certificate.

“Recognized Obligation Payment Schedule” or “ROPS” shall mean a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the Dissolution Act.

“Record Date” shall mean the close of business on the fifteenth (15th) day of the month preceding the month in which any Interest Payment Date occurs, whether or not such day is a Business Day.

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

“Redevelopment Plan” shall mean the redevelopment plans for the [Merged Redevelopment Project and Santa Fe Project Area] of the Successor Agency, adopted and approved as the Redevelopment Plan for (i) the Central Business District Redevelopment Project by Ordinance No. 66-NS, adopted by the City Council of the City on December 20, 1971, (ii) the Industrial Redevelopment Project by Ordinance No. 167-NS, adopted by the City Council of the City on May 25, 1977, (iii) the North Redevelopment Project by Ordinance No. 261-NS, adopted by the City Council of the City on July 7, 1980, (iv) the Santa Fe Redevelopment Project by Ordinance No. 372-NS, adopted by the City Council of the City on December 2, 1984, and (v) the Merged Redevelopment Project by Ordinance No. 468-NS, adopted by the City Council of the City on February 5, 1990, each together with all further amendments hereinbefore or hereafter made in accordance with the Law and said Ordinance.

“Redevelopment Property Tax Trust Fund” shall mean the fund by that name established pursuant to Section 34170.5(a) of the Law and administered by the County Auditor-Controller.

“Refunded Obligations” shall mean, collectively, the 1994 CDC Bonds, the 2004 Assistance Agreement, and the IRS Liability.

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

“Related Documents” shall mean the [Indenture and the Series 2016 Bonds issued hereunder].

“Reserve Account” shall mean the account maintained within the Special Fund pursuant to Section 5.03 of the Indenture.

“Reserve Account Requirement” shall mean as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Reserve Policy” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer.

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

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

“ROPS Period” shall mean the annual period (commencing on each July 1) covered by a ROPS, but if the Dissolution Law is hereafter amended so that each ROPS covers a fiscal period of a different length, then “ROPS Period” will mean such other applicable period established under the Dissolution Law, as amended.

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

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

“S&P” shall mean Standard & Poor’s Financial Services LLC and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then “S&P” shall be deemed to refer to any other nationally-recognized rating agency selected by the Successor Agency.

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

“Series 2016 Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable).

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

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

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

“Special Record Date” shall mean the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on the Bonds.

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

“Successor Agency” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

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

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

“Tax Revenues” shall mean all taxes annually allocated to the Successor Agency with respect to the Project Area following the Closing Date pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations; but excluding all amounts of such taxes required to be paid by the Successor Agency to other taxing agencies pursuant to pass-through agreements or similar tax-sharing agreements entered into pursuant to Section 33401 of the Law existing on the Closing Date.

If, and to the extent, that the provisions of Health & Safety Code Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution; [excluding moneys required to pay Senior Obligations payable during such period.]

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

“Term Bond Sinking Account” shall mean the account maintained within the Special Fund pursuant to Section 5.03 of the Indenture.

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

“2004 Assistance Agreement” shall mean the Successor Agency’s outstanding obligations as defined in the Recitals to this Indenture.

“2004 Bonds” shall mean the Successor Agency’s outstanding obligations as defined in the Recitals to this Indenture.

“Verification Report” shall mean a report of an independent firm of nationally recognized certified public accountants, or such other firm as shall be acceptable to the Bond Insurer, addressed to

the Successor Agency, the Trustee and the Bond Insurer, verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“Written Request of the Successor Agency” shall mean an instrument in writing signed by the Chairperson of the Successor Agency, [the Executive Director and any Interim Executive Director of the Successor Agency, the City’s Assistant City Manager/Finance Director, the City’s Community Development Director] and the Secretary of the Successor Agency, or by any other officer of the City acting for and in the name of the Successor Agency duly authorized by the Successor Agency for that purpose.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions herein contained; and the agreements and covenants herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any Bonds over any other Bonds.

ARTICLE II

THE BONDS; CERTAIN PROVISIONS OF THE BONDS

Section 2.01 General Authorization; Bonds. The Series 2016 Bonds and Additional Bonds may be issued at any time under and subject to the terms of the Indenture. The Successor Agency has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in the Indenture. Accordingly, the Successor Agency hereby authorizes the issuance of the Bonds for the purposes set forth in the preamble of the Indenture.

Section 2.02 Terms of Series 2016 Bonds. The Series 2016 Bonds authorized to be issued by the Successor Agency under and subject to the terms of the Indenture and the Law shall be designated the “Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable)” and shall be in the aggregate principal amount of \$_____.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable by check in lawful money of the United States of America. The Bonds shall be issued as fully registered bonds in the denomination of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Bonds maturing at any one time). The Bonds shall be numbered in consecutive numerical order from R1 upwards. The Bonds shall bear interest from their date of initial delivery. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the

Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

The Series 2016 Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from the 16th day of the month next preceding an Interest Payment Date to and including such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of registration is on or before _____ 1, 2016, in which event they shall bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2016 Bond, interest is then in default on the Outstanding Series 2016 Bonds, such Series 2016 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2016 Bonds.

The Series 2016 Bonds shall mature on the dates and in the principal amounts set forth in the table below and shall bear interest on the basis of a 360-day year consisting of twelve 30-day months at the rates per annum set forth in the table below.

Maturity Date (September 1)	Principal Amount	Interest Rate
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

Section 2.03 Form of Series 2016 Bonds. The Series 2016 Bonds, the Trustee’s authentication and registration endorsement, and the assignment to appear thereon shall be substantially in the form attached hereto as Appendix A.

Section 2.04 Redemption of Series 2016 Bonds.

(a) Make-Whole Optional Redemption of the Series 2016 Bonds. (i) [The Series 2016 Bonds will not be subject to redemption prior to their respective stated maturity dates.][The Series 2016 Bonds will be subject to redemption prior to their respective stated maturity dates, at the option of the Successor Agency, from any source of available funds, as a whole or in part on any date, at a redemption

price equal to 100% of the principal amount of Series 2016 Bonds to be redeemed plus the Make-Whole Premium (as defined herein), if any, together with accrued interest to the date fixed for redemption.

“Make-Whole Premium” shall mean, with respect to any Series 2016 Bond to be redeemed, an amount calculated by an Independent Banking Institution (as defined herein) equal to the positive difference, if any, between:

- (1) The sum of the present values, calculated as of the date fixed for redemption of:
 - (a) Each interest payment that, but for the redemption, would have been payable on the Series 2016 Bond or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2016 Bond (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series 2016 Bond, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series 2016 Bond to the date fixed for redemption; plus
 - (b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series 2016 Bond or portion thereof being redeemed; minus
- (2) The principal amount of the Series 2016 Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield (as defined herein), plus ____ basis points.

“Comparable Treasury Yield” shall mean the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2016 Bond being redeemed. The Comparable Treasury Yield will be determined as of the third Business Day immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2016 Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2016 Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2016 Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Comparable Treasury Issue” shall mean the United States Treasury security selected by the Independent Banking Institution as having a maturity comparable to the remaining term to maturity of the Series 2016 Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2016 Bond being redeemed.

“Independent Banking Institution” shall mean an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Successor Agency (which may be one of the underwriters of the Series 2016 Bonds). If the Successor Agency fails to appoint an Independent Banking Institution at least 45 days prior to the date fixed for redemption, or if the Independent Banking Institution appointed by the Successor Agency is unwilling or unable to determine the Comparable Treasury Yield, the Comparable Treasury Yield will be determined by an Independent Banking Institution designated by the Successor Agency.

“Comparable Treasury Price” shall mean, with respect to any date on which an Series 2016 Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Independent Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Independent Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Independent Banking Institution, at 5:00 p.m. New York City time on the third Business Day preceding the date fixed for redemption.

“Reference Treasury Dealer” shall mean a primary United States Government securities dealer in the United States appointed by the Successor Agency and reasonably acceptable to the Independent Banking Institution (which may be one of the underwriters of the Series 2016 Bonds). If the Successor Agency fails to select the Reference Treasury Dealers within a reasonable period of time, the Successor Agency will select the Reference Treasury Dealers in consultation with the Successor Agency.

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

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the

same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds..

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

Section 2.06 Selection of Bonds for Redemption. For purposes of selecting Bonds for redemption, the Bonds shall be composed of \$5,000 portions and any such portions may be separately redeemed. Whenever less than all the Outstanding Bonds of any Series maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds of such Series to be redeemed from the Outstanding Bonds of such Series maturing on such date not previously selected for redemption, by lot in any manner which the Trustee deems fair.

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

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

Section 2.08 Special Covenants as to Book-Entry Only System for Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.08, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each interest payment date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.15 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Successor Agency and any paying agent may treat DTC (or its nominee) as the sole and

exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Successor Agency or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Successor Agency nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.08, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Holders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Holder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Successor Agency's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 2.08.

(c) In the event that the Successor Agency determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain bond certificates, the Trustee shall, upon the written instruction of the Successor Agency, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (f) of this Section 2.08. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice of such discontinuance to the Successor Agency or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (f) of this Section 2.08. Whenever DTC requests the Successor Agency and the Trustee to do so, the Trustee and the Successor Agency will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 2.08, and thereafter, all references in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.08, such transfer or exchange shall be accomplished upon receipt by the Trustee from

the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.10 and 2.11 hereof. In the event Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.10, 2.11 and 2.15 hereof shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

Section 2.09 Execution of Bonds. The Chairperson of the Successor Agency, [the Executive Director and any Interim Executive Director of the Successor Agency, the City's Assistant City Manager/Finance Director, the City's Community Development Director] shall execute each of the Bonds on behalf of the Successor Agency and the Secretary of the Successor Agency shall attest each of the Bonds on behalf of the Successor Agency. Any of the signatures of said Chairperson of the Successor Agency, [the Executive Director and any Interim Executive Director of the Successor Agency, the City's Assistant City Manager/Finance Director, the City's Community Development Director] and the Secretary of the Successor Agency may be by printed, lithographed or engraved facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although at the nominal date of such Bond any such person may not have been such officer of the Successor Agency.

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

Section 2.10 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.15, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

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

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

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

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

Section 2.12 Temporary Bonds. The Bonds issued under this Indenture 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, shall be in fully registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Successor Agency, in accordance with the terms of the Act. If the Successor Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the corporate trust operations office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds delivered hereunder.

Section 2.13 Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated, or shall be believed by the Successor Agency or the Trustee to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee, and upon the surrender of such mutilated Bond at the Corporate Trust Office or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Successor Agency and the Trustee, and upon payment by the Owner of all expenses incurred by the Successor Agency and the Trustee, the Successor Agency shall execute and the Trustee shall authenticate and deliver at said office a new Bond or Bonds of the same maturity and for the same aggregate principal amount, of like tenor and date, bearing the same number or numbers, with such notations as the Trustee shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

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

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

Section 2.14 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Successor Agency for the financing or refinancing of any redevelopment project financed with proceeds of the Refunded Obligations, or by any contracts made by the Successor Agency in connection therewith, and shall not be dependent upon the completion of the financing such redevelopment project or upon the performance by any person of his obligation with respect to such redevelopment project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.15 Bond Register. (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times, upon reasonable notice, be open to inspection by any Bondowner or his agent duly authorized in writing or the Successor Agency; and, upon

presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

(b) The person in whose name any Bond shall be registered shall be deemed the owner thereof for all purposes thereof, and payment of or on account of the principal of, and the interest on or redemption price of by such Bond shall be made only to or upon the order in writing of such Owner, which payment shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

ARTICLE III

APPLICATION OF PROCEEDS OF BONDS

Section 3.01 Application of Proceeds of Sale of Series 2016 Bonds -- Allocation Among Funds and Accounts. Upon receipt of payment for the Series 2016 Bonds, the Trustee shall set aside and deposit the net proceeds received from such sale and delivery (less Underwriter's discount and amounts wired by the Underwriter, on behalf of the Successor Agency, directly to the Series Bond Insurer to pay premiums for the Bond Insurance Policy and the Reserve Policy) in the following respective funds and accounts:

(a) [The Trustee shall deposit to the credit of the Reserve Account established pursuant to Section 5.03(d) the Reserve Policy, which is equal to the initial Reserve Account Requirement for the Series 2016 Bonds].

(b) The Trustee shall transfer \$_____ to the Fiscal Agent to refund the 1994 CDC Bonds and 2004 Assistance Agreement.

(c) The Trustee shall transfer \$_____ to the Fiscal Agent to refund the IRS Liability.

(d) The Trustee shall transfer to the Cost of Issuance Fund the sum of \$_____ for the payment of Costs of Issuance of the Series 2016 Bonds.

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

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The Successor Agency may at any time after the issuance and delivery of the Series 2016 Bonds hereunder issue Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, for the purpose of refunding Bonds hereunder issued in accordance with the Law, including payment of all costs incidental to or connected with such refunding, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) A Written Request of the Successor Agency shall have been filed with the Trustee containing a statement to the effect that the Successor Agency shall be in compliance

with all covenants set forth in this Indenture and any Supplemental Indentures, and no event of default shall have occurred and be continuing.

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

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

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

(iii) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2016 Bonds;

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

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

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

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

(viii) The form of such Additional Bonds; and

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

(c) Such Additional Bonds may be issued only for the purpose of refunding bonds in accordance with the Law, including payment of all costs incidental to or connected with such refunding, provided that Annual Debt Service in each Bond Year, calculated for all Bonds and Additional Bonds that will be Outstanding after the issuance of such Additional Bonds, shall be less than or equal to the Annual Debt Service in such Bond Year, calculated for all Bonds and Additional Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds.

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

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

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

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

(c) An opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that (1) the Successor Agency has the right and power under the Law to enter into the Indenture and all Supplemental Indentures thereto, and the Indenture and all such Supplemental Indentures have been duly executed by the Successor Agency and are valid and binding upon the Successor Agency and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases), and no other authorization for the Indenture or such Supplemental Indentures is required; (2) the Indenture creates the valid pledge which it purports to create of the Tax Revenues as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (3) such Additional Bonds are valid and binding special obligations of the Successor Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Law, and such Additional Bonds have been duly and validly authorized and issued in accordance with the Law and the Indenture and all such Supplemental Indentures;

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

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

ARTICLE V

TAX REVENUES; CREATION OF FUNDS

Section 5.01 Pledge of Tax Revenues; Special Fund. Pursuant to the Pledge Statute and subject to the provisions of the Indenture permitting application thereof for the purposes and on the terms and conditions set forth in the Indenture, to secure the payment of all the Outstanding Bonds, and the interest payments becoming due, and to secure the performance and observance of all of the covenants, agreements and conditions contained in the Outstanding Bonds and this Indenture, the Successor Agency

hereby irrevocably grants a lien on and a security interest in, and pledges, the Tax Revenues and all money in the “Successor Agency to the Community Development Commission of the City of Huntington Park, Special Fund” (hereinafter called the “ Special Fund”), which is hereby created by the Successor Agency and which fund the Successor Agency hereby covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder, and in the funds or accounts so specified and provided for in this Indenture, whether held by the Successor Agency or the Trustee, to the Trustee for the benefit of the Owners of the Outstanding Bonds, but excluding all moneys in the Rebate Fund established pursuant to the Tax Certificate (including within such exclusion investment income retained in the Rebate Fund) and the Costs of Issuance Fund. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Special Fund within ten (10) Business Days of the receipt thereof by the Successor Agency, until such time (if any) during such Bond Year as the Tax Revenues on deposit in the Special Fund equal the aggregate Tax Revenues required to be transferred to the Trustee for deposit pursuant to Section 5.02; and (except as may be otherwise provided in any Supplemental Agreement) any Tax Revenues received during such Bond Year in excess of such amounts shall be released from the pledge and lien hereunder and may be used for any lawful purpose of the Successor Agency. Prior to the payment in full of the principal of and interest on the Bonds, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except only as provided in this Indenture and any Supplemental Agreements, and such moneys shall be used and applied as set forth herein and in any Supplemental Agreements. This lien on and security interest in and pledge of the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in this Indenture shall constitute a first pledge of and charge and lien upon the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in this Indenture, shall immediately attach and be effective, binding, and enforceable against the Successor Agency, its successors, purchasers of any of the Successor Agency Bonds or such money in the Special Fund or in the funds or accounts so specified and provided for in this Indenture, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in this Indenture and without the need for any physical delivery, recordation, filing or further act.

The Successor Agency shall timely file each ROPS pursuant to the Law. The ROPS for the six month fiscal period commencing January 1 of each year shall include, in addition to the other amounts required to be included thereon pursuant to the Law, the sum of (i) the difference, if any, between the amount of Debt Service payable on the Outstanding Bonds and any Parity Debt on the next succeeding March 1 and September 1 during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds and the amounts then on deposit in the Interest Account, Principal Account and Sinking Fund Account plus (ii) the amount, if any, required to be deposited in the Reserve Account pursuant to Section 5.03(d) hereof. The ROPS for the six month fiscal period commencing July 1 of each year shall include, in addition to the other amounts required to be included thereon pursuant to the Law, the sum of (i) the difference, if any, between the amount then on deposit in the Interest Account hereunder and the amount of interest and principal payable on the Outstanding Bonds and any Parity Debt on the next succeeding September 1 during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds plus (ii) the amount, if any, required to be deposited in the Reserve Account pursuant to Section 5.03(d) hereof. The Successor Agency shall not, without the prior written consent of the Bond Insurer, approve or submit for approval by the Oversight Board or the DOF a ROPS covering multiple ROPS Periods or any Last and Final Recognized Obligation Payment Schedule as provided in the Dissolution Law.]

Promptly upon receipt thereof, the Successor Agency shall transfer to the Trustee for deposit in the Special Fund the Tax Revenues; provided that the Successor Agency shall not be obligated to deposit

in the Special Fund in any Fiscal Year an amount of Tax Revenues which, together with other available amounts then in the Special Fund, exceeds the amounts required to be transferred to the Trustee for deposit in the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account and the Expense Account in such Fiscal Year pursuant to this Section 5.03 hereof. Any Tax Revenues received during any Fiscal Year following deposit in the Special Fund of an amount equal to the aggregate amount required to be transferred to the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account and the Expense Account in such Fiscal Year pursuant to Section 5.03 of this Indenture, shall be released from the pledge and lien hereunder and may be used for any lawful purposes of the Successor Agency.

The Successor Agency covenants and agrees that all Tax Revenues deposited in the Special Fund will be accounted for through, and held in trust in the Special Fund, and the Successor Agency shall have no beneficial right or interest in any of such money, except only as provided in the Indenture. All such Tax Revenues shall nevertheless be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Successor Agency.

The Successor Agency will take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each ROPS Payment Period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any Tax Revenues required to pay principal and interest payments due on the Outstanding Bonds and any Parity Debt, any deficiency in the Reserve Account of the Special Fund to the full amount of the Reserve Account Requirement, and any Compliance Costs. The Successor Agency shall include in its Recognized Obligation Payment Schedule the amounts described below to be transmitted to the Trustee for the applicable ROPS Payment Period. The Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the County Auditor-Controller and the Department of Finance no later than February 1 of each year so long as the Bonds are outstanding thereafter.

Expected Compliance Costs, if any, will be included in each Recognized Obligation Payment Schedule on the basis of information compiled by the Successor Agency on or before the fifth Business Day of each August. On or before the fifth Business Day of each August, the Trustee shall report to the Successor Agency its expected Compliance Costs for the next succeeding calendar year to be included on the Successor Agency's ROPS.

All Tax Revenues received by the Successor Agency (1) during the period from July 1, 2016, to June 30, 2017, inclusive, in excess of the amount required, as provided in this section, to be deposited in the Special Fund on each RPTTF Distribution Date [of such calendar year] in excess of the amount required, as provided in this section, to be deposited in the Special Fund on [June 1 RPTTF Distribution Date], shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each such date, be released from the pledge, security interest and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Successor Agency for any lawful purpose of the Successor Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and any Parity Debt and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Section 5.02 Receipt and Deposit of Tax Revenues. (a) The Successor Agency covenants and agrees that all Tax Revenues, when and as received in accordance with Section 5.01 hereof, will be

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

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

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

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

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

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

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

(c) Term Bonds Sinking Account. The Trustee shall set aside from the Special Fund and deposit in the Sinking Fund an amount of money which, together with any money contained therein, is equal to the aggregate amount of Sinking Fund Installments becoming due and payable with respect to all Outstanding Bonds which are Term Bonds on the next succeeding September 1. All moneys in the Sinking Fund Account shall be used by the Trustee to redeem the Outstanding Bonds in accordance with this Indenture. In the event that Bonds which are Term Bonds purchased or redeemed at the option of the Successor Agency are deposited with the Trustee for the credit of the Sinking Fund Account not less than forty-five (45) days prior to the due date for any Sinking Fund Installment for such Bonds, such deposit shall satisfy (to the extent of 100% of the principal amount of such Bonds) any obligation of the Successor Agency to make a payment with respect to such Sinking Fund Installments. Any Bond so deposited with the Trustee shall be cancelled and shall no longer be deemed to be Outstanding for any purpose. Upon making the deposit with the Trustee of Bonds which are Term Bonds as provided in this paragraph, the Successor Agency may specify the dates and amounts of Sinking Fund Installments for such Bonds as to which the Successor Agency's obligations to make a payment with respect to Sinking Fund Installments for such Bonds shall be satisfied.

(d) Reserve Account. The Trustee shall set aside from the Special Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein an amount equal to the Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Term Bonds Sinking Account in such order, in the event of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date or Sinking Account Payment Date, or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Successor Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Account Requirement shall be transferred to the Special Fund.

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

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

The prior written consent of Bond Insurer shall be a condition precedent to the deposit of any credit facility (a "Credit Facility") credited to the Reserve Account established for Series 2016 Bonds in lieu of a cash deposit into the Reserve Account. Amounts drawn under the Reserve Policy shall be available only for the payment of scheduled principal of and interest on the Series 2016 Bonds, respectively, when due.

The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) of Section 12.15 hereof and to provide notice to Bond Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2016 Bonds, respectively. Where deposits are required to be made by the Successor Agency with the Trustee to the debt service fund for the Series 2016 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to Bond Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two Business Days of the date due.

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

Section 5.04 Investment of Moneys in Funds and Accounts. Moneys in the Special Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Successor Agency, shall be invested by the Trustee in Permitted Investments. If such instructions are not provided, the Trustee shall invest such funds in Permitted Investments described in clause (6) of the definition thereof. Moneys in the Interest Account representing accrued interest paid to the Successor Agency upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Successor Agency, shall be invested by the Trustee in Permitted Investments. Permitted Investments purchased with amounts on deposit in the Reserve Account shall have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Special Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested shall mature prior to the date on which such moneys are estimated to be required to be paid out hereunder. Any interest, income or profits from the deposits or investments of all other funds and accounts held by the Trustee (other than the Rebate Fund) shall be deposited in the Special Fund. For purposes of determining the amount on deposit in any fund or account held by the Trustee hereunder, all Permitted Investments credited to such fund or account shall be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account shall be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value shall be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under the Indenture shall be valued at least annually on the first day of September.

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

Section 5.05 Reserve Policy Payment and Reimbursement Provisions. The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

[INCLUDED FOR REFERENCE ONLY; SUBJECT TO INSURER TERMS, IF A POLICY IS PURCHASED]:

(a) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by Bond Insurer and shall pay interest thereon from the date of payment by Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3.00%, and (ii) the then applicable highest rate of interest on the Series 2016 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as Bond Insurer shall specify. If the interest provisions of this subparagraph (b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by Bond Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

(c) Amounts in respect of Policy Costs paid to Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2016 Bonds (subject only to the priority of payment provisions set forth under the Indenture).

(d) All cash and investments in the Reserve Account shall be transferred to the debt service fund for payment of debt service on the Series 2016 Bonds before any drawing may be made on the Reserve Policy or any other Credit Facility credited to the Reserve Account in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage means the coverage

then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section, Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2016 Bonds or (ii) remedies which would adversely affect owners of the Series 2016 Bonds

(f) The Indenture shall not be discharged until all Policy Costs owing to Bond Insurer shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Series 2016 Bonds.

(g) The Successor Agency shall include any Policy Costs then due and owing Bond Insurer in the calculation of the additional bonds test.

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

(i) The obligation of the Successor Agency pay all amounts due to Bond Insurer shall be an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of this Section, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Series 2016 Bonds, the Indenture or any other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2016 Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2016 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than the Bond

Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Bond Insurer under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

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

(k) The Successor Agency covenants to provide to Bond Insurer, promptly upon request, any information regarding the Series 2016 Bonds or the financial condition and operations of the Successor Agency as reasonably requested by Bond Insurer. The Successor Agency will permit Bond Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information Bond Insurer may reasonably request regarding the security for the Series 2016 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable Bond Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

Section 5.06 Cost of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a Requisition of the Successor Agency filed with the Trustee, which shall be in substantially the form attached hereto as Exhibit B. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. In no event shall moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of six months from the date of issuance of the Bonds, or upon earlier receipt of a Written Order of the Successor Agency stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to the Special Fund. The Trustee shall then close the Costs of Issuance Fund.

ARTICLE VI

COVENANTS OF THE SUCCESSOR AGENCY

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

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

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

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

Section 6.05 Books and Accounts; Financial Statements. The Successor Agency will keep proper books of record and accounts, separate from all other records and accounts of the Successor Agency, in which complete and correct entries shall be made of all transactions relating to the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the Owners of not less than ten per cent (10%) of the aggregate principal amount of Bonds Outstanding or their representatives authorized in writing.

The Successor Agency will prepare and file with the Trustee and the Bond Insurer annually, so long as any Bonds are Outstanding, the audited financial statements of the Successor Agency as part of the Annual Report (as defined in the Continuing Disclosure Certificate), provided, however, that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date, which audited financial statement shall include a statement as to the manner and extent to which the Successor Agency has complied with the provisions of the Indenture as it relates to the funds and accounts established pursuant to the Indenture.

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

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

Section 6.08 Amendment of Redevelopment Plan. The Successor Agency will not amend the Redevelopment Plan except as provided in this section and as permitted by the Law. If the Successor Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a

Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Successor Agency may undertake such amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed amendment, the Successor Agency may not undertake such proposed amendment. Notwithstanding the foregoing, the Successor Agency must obtain the Bond Insurer's prior written consent for any amendment of the Redevelopment Plan which would (i) reduce the amount of Tax Revenues that may be received by the Successor Agency or (ii) reduce the period during which the Successor Agency may collect Tax Revenues.

Section 6.09 Tax Revenues. The Successor Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS.

The Successor Agency expressly finds and determines that the pledge, payment and setting aside of Tax Revenues as provided for in the Indenture is not subject to any limitation contained in Article XIII B of the Constitution of the State of California.

The Successor Agency hereby covenants that, for so long as the receipt of Tax Revenues is subject to a tax increment limit under the Law, it will annually review the total amount of Tax Revenues remaining available to be received by the Successor Agency under the Redevelopment Plan's cumulative tax increment limitation, as well as future cumulative Annual Debt Service.

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

Section 6.11 Tax Covenants; Rebate Fund.

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

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

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

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

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

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

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

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

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

Section 6.12 Compliance with the Dissolution Act. The Successor Agency covenants that in addition to complying with the requirements of Section 5.01 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file required statements and hold public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. Further, the Successor Agency will take whatever actions are required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each ROPS Payment Period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any Tax Revenues required to pay principal and interest payments due on the Outstanding Bonds and any Parity Debt, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement, and any required debt service, reserve set-asides, and any other payments required under the Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute, from the Redevelopment Property Tax Trust Fund, Tax Revenues attributable to the Project Area to the Trustee for deposit in the Special Fund on each RPTTF Distribution Date amounts required for the Successor Agency to pay the principal of, premium, if any, and the interest on the Outstanding Bonds and any Parity Debt

coming due in the respective ROPS Payment Period. These actions will include placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next RPTTF Distribution Date, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture for the next payment due in the following RPTTF Distribution Date.

Section 6.13 Adverse Change in State Law. If, due to an adverse change in State law resulting from legislation or the decision of a court of competent jurisdiction, the Successor Agency determines that it can no longer comply with Section 6.12, then the Successor Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Successor Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent jurisdiction to determine the duties of all parties to the Indenture, and the County Auditor-Controller, with regard to the performance of Section 6.12 by the Successor Agency. The Trustee may, but is in no event obligated to, participate in the process of seeking such declaratory judgment to protect its rights hereunder. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Successor Agency.

Section 6.14 Credits to Redevelopment Obligation Retirement Fund. The Successor Agency covenants to credit all Tax Revenues withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds and any Parity Debt to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5 of the California Health and Safety Code.

Section 6.15 Compliance Costs. The Successor Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, from amounts on deposit in the Expense Account, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, costs of the Successor Agency, the City and the Trustee payable from the Redevelopment Property Tax Trust Fund.

Section 6.16 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an event of default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Bondowners of at least 25% aggregate principal amount of Bonds Outstanding, shall to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this section and the Continuing Disclosure Certificate. For purposes of this section, "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE VII

THE TRUSTEE

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

Section 7.02 Duties, Immunities and Liability of Trustee.

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

(b) Subject to Section 12.15, the Successor Agency may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or upon receipt of a written request of the Bond Insurer stating good cause, or upon receipt of a written request of any Bond Insurer following an Event of Default (irrespective of cause), or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Successor Agency, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee and the Bond Insurer a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Successor Agency or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be

required for fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

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

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

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

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

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

(j) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof at the Trustee's Principal Corporate Trust Office.

(k) The Trustee shall not be accountable for the use or application by the Successor Agency or any other party of any funds which the Trustee has released under the Indenture.

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Indenture to the Successor Agency within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90

days after the end of such period. Such accounting shall show in reasonable detail all transactions made by the Trustee under this Indenture during the accounting period and the balance in any Funds and accounts created under the Indenture as of the beginning and close of such accounting period.

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

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

(o) The Trustee may appoint and act through an agent and shall not be responsible for any misconduct or negligence of any such agent appointed with due care.

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

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

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

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

Section 7.05 Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Indenture or of the Bonds, and shall not incur any responsibility in respect thereof, other than in

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

Section 7.06 Right to Rely on Documents. The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection for any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of the Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

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

Section 7.08 Indemnity for Trustee. Before taking any action or exercising any rights or powers under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the

reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE VIII

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

Section 8.01 Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by the Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in Person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

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

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

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

ARTICLE IX

AMENDMENT OF THE INDENTURE

Section 9.01 Amendment by Consent of Owners. The Indenture and the rights and obligations of the Successor Agency and of the Owners may be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture which shall become binding when the written consents of the Owners of sixty per cent (60%) in aggregate principal amount of Bonds Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 are filed with the Trustee. The consent of the Bond Insurer, in place of Owner's consent, shall be sufficient so long as the Bond Insurer's policy is not in default and secures payments on such requisite ownership and, provided that no such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Successor Agency to pay the interest or principal of, and premium, if any, at the time and place and at the rate and in the currency provided herein of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, without the express written consent of the

Owner of such Bond, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Successor Agency and of the Owners may also be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

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

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

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

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

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

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

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

Section 9.02 Disqualified Bonds. Bonds owned or held by or for the account of the Successor Agency or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this Article provided for, and shall not be entitled to consent to, or take any other action in this Article provided for.

Section 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Successor Agency may determine that the Bonds may bear a notation, by endorsement in form approved by the Successor Agency, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond. If the Successor Agency shall so determine, new Bonds so modified as, in the opinion of the Successor Agency, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged

at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

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

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

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

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

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

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

(c) If default shall be made by the Successor Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after the Successor Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default hereunder if the Successor Agency shall commence to cure such default within said 30-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 60 days after such notice without the prior written consent of the Bond Insurer; or

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

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

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

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

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

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

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

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

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

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

Section 10.05 Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owner of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

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

institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

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

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

Section 10.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE XI

DEFEASANCE

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

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

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in

trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

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

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

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

Neither the money nor the Federal Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

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

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

ARTICLE XII

MISCELLANEOUS

Section 12.01 Liability of Successor Agency Limited to Tax Revenues. The Successor Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds or for the performance of any covenants herein contained, other than the covenants contained in Section 6.11 hereof. The Successor Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

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

Section 12.02 Parties Interested Herein. Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Bond Insurer and the Owners any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the Successor Agency or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer and the Owners.

Section 12.03 Unclaimed Moneys. Notwithstanding anything to the contrary herein, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or premium, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor Agency for the payment of such amounts; provided, that before being required to make any such payment to the Successor Agency, the Trustee shall, at the expense of the Successor Agency, give notice by first class mail to all Owners that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Successor Agency.

Section 12.04 Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 12.03 hereof, but without any liability for interest thereon.

Section 12.05 Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Successor Agency or any member, officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Successor Agency, that are presently vested in the Successor Agency or such member, officer or employee, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Successor Agency or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.06 Execution of Documents by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

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

The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.15.

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

Section 12.07 Waiver of Personal Liability. No member, officer or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of, premium, if any, and the interest on the Bonds; but nothing herein contained shall relieve any member, officer or employee of the Successor Agency from the performance of any official duty provided by law.

Section 12.08 Acquisition of Bonds by Successor Agency. All Bonds acquired by the Successor Agency, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 12.09 Destruction of Cancelled Bonds. Whenever in the Indenture provision is made for return to the Successor Agency of any Bonds which have been cancelled pursuant to the provisions of the Indenture, the Successor Agency may, by a Written Request of the Successor Agency, direct the Trustee to destroy such Bonds and furnish to the Successor Agency a certificate of such destruction.

Section 12.10 Content of Certificates and Reports. Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether

or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

Section 12.11 Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Successor Agency or the Trustee may be established and maintained in the accounting records of the Successor Agency or the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 12.12 Article and Section Headings and References. The headings or titles of the several Articles and sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Indenture.

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

Section 12.13 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof provided in the Indenture to be performed on the part of the Successor Agency (or of the Trustee) should be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof, shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Successor Agency hereby declares that it would have entered into the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 12.14 Notices. All notices required to be given hereunder to the Successor Agency, the Trustee, and the Bond Insurer shall be sent to the following addresses:

Successor Agency:	Successor Agency to the Community Development Commission of the City of Huntington Park 6550 Miles Avenue, Suite 116 Huntington Park, CA 90255
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Attention: City Manager

Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

Bond Insurer:

Section 12.15 Bond Insurance Payment and Reimbursement Provisions. The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

[INCLUDED FOR REFERENCE ONLY; SUBJECT TO INSURER TERMS, IF A POLICY IS PURCHASED]: The Successor Agency agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer allocable to unpaid debt service on the Insured Series 2016 Bonds under the Bond Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3.00%, and (ii) the then applicable highest rate of interest on the Insured Series 2016 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Successor Agency hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the Tax Revenues on a parity debt service due on the Insured Series 2016 Bonds.

The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2016 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Successor Agency to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

The Successor Agency shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses allocable to unpaid debt service on the Insured Series 2016 Bonds that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

The Successor Agency will permit the Bond Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the Bond Insurer may reasonably request regarding the security for the Insured Series 2016 Bonds with appropriate officers of the Successor Agency and will use

commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

The Trustee shall notify the Bond Insurer of any failure of the Successor Agency to provide notices, certificates and other information under the Related Documents.

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

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Series 2016 Bonds or the rights of the Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Series 2016 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

Any interest rate exchange agreement ("Swap Agreement") entered into by the Successor Agency shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Series 2016 Bonds and on any debt on parity with the Insured Series 2016 Bonds. The Successor Agency shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Successor Agency to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's (S&P) and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baal" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

Section 12.16 Bond Insurer Notice Provisions. The Bond Insurer shall be provided with the following information by the Successor Agency or the Trustee, as the case may be:

[INCLUDED FOR REFERENCE ONLY; SUBJECT TO INSURER TERMS, IF A POLICY IS PURCHASED]:

(i) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Certificate), provided, however, that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the

date required for the filing of the Annual Report and as soon as practicable if they are not available by that date (together with a certification of the Successor Agency that it is not aware of any default or Event of Default under the Indenture), and such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Successor Agency's Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Reserve Account Requirement and (ii) withdrawals in connection with a refunding of the Insured Series 2016 Bonds;

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

(iv) Prior notice of the advance refunding or redemption of any of the Insured Series 2016 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

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

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

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Series 2016 Bonds;

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

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

In addition, to the extent that the Successor Agency has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Series 2016 Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

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

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

Section 12.17 Bond Insurer as Third Party Beneficiary. The Bond Insurer is hereby expressly made a third party beneficiary of the Indenture and each other Related Documents.

Section 12.18 California Law. The Indenture of Trust shall be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

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

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY
OF HUNTINGTON PARK**

By: _____
[Authorized Officer]

ATTEST:

By: _____
Secretary of the Successor Agency

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

[Signature page to Indenture of Trust]

APPENDIX A
[FORM OF BOND]

No. _____

\$ _____

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK
TAX ALLOCATION REFUNDING BONDS
SERIES 2016 (FEDERALLY TAXABLE)**

BOND DATE:
_____, 2016

MATURITY DATE:
September 1, 20__

RATE OF INTEREST:

Registered Owner: Cede & Co.

Principal Amount:

THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from the 16th day of the month next preceding an Interest Payment Date to and including such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of registration is on or before _____ 1, 2016, in which event they shall bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2016 Bond, interest is then in default on the Outstanding Series 2016 Bonds, such Series 2016 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment, at the Rate of Interest specified above, payable on _____ 1, 2016 and semiannually thereafter on March 1 and September 1 in each year. Both the interest hereon and principal hereof are payable in lawful money of the United States of America.

Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

This Bond is a duly authorized issue of Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the "Series 2016 Bonds"), limited in aggregate principal amount to \$[_____] [_____] all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as amended including, without limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the "Law"), and pursuant to the provisions of the Indenture of Trust, dated as of ____ 1, 2016, by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Indenture"). Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Successor Agency payable from Tax Revenues as provided in the Indenture on a parity with the Series 2016 Bonds. The Series 2016 Bonds and any Additional Bonds are collectively referred to as the "Bonds."

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

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

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

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

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding.

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

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Successor Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

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

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

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

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

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

IN WITNESS WHEREOF, the Successor Agency to the Community Development Commission of the City of Huntington Park has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of Chairperson and Secretary of the Successor Agency, each acting for and in the name of the Successor Agency to the Community Development Commission of the City of Huntington Park and has caused this Bond to be dated the Dated Date first set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY
OF HUNTINGTON PARK**

By: _____
Chairperson of the Successor Agency

ATTEST:

By: _____
Secretary of the Successor Agency

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

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

DATED: _____

U.S. BANK NATIONAL ASSOCIATION, as trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

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

Date: _____

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

Signature Guaranteed:

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

APPENDIX B

**SCHEDULE OF SEMI-ANNUAL AND ANNUAL INTEREST AND
PRINCIPAL PAYMENTS OF THE BONDS**

Series 2016 Bonds Annual Interest and Principal Payments

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
9/1/2016			
9/1/2017			
9/1/2018			
9/1/2019			
9/1/2020			
9/1/2021			
9/1/2022			
9/1/2023			
9/1/2024			
9/1/2025			

Series 2016 Bonds Semi-Annual Interest and Principal Payments:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
3/1/2016				
9/1/2016				
3/1/2017				
9/1/2017				
3/1/2018				
9/1/2018				
3/1/2019				
9/1/2019				
3/1/2020				
9/1/2020				
3/1/2021				
9/1/2021				
3/1/2022				
9/1/2022				
3/1/2023				
9/1/2023				
3/1/2024				
9/1/2024				
3/1/2025				
9/1/2025				

**HUNTINGTON PARK REDEVELOPMENT AGENCY
MERGED REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, 1994 SERIES A**

**REQUEST OF THE SUCCESSOR AGENCY AND INSTRUCTION FOR
DEPOSIT AND DISCHARGE**

This irrevocable Request of the Agency and Instruction for Deposit and Discharge (these “Instructions”), dated _____, 2016, is given by the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, a public entity duly organized and existing under the laws of the State of California (the “Successor Agency”), to U.S. BANK NATIONAL ASSOCIATION, as trustee, a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Prior Obligations (the “Prior Trustee”);

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the City Council of the City of Huntington Park (the “City”) created the former Community Development Commission of the City of Huntington Park (the “Former CDC”); and

WHEREAS, in 1994 the Former CDC issued its Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 CDC Bonds”) attributable to the Merged Redevelopment Project, pursuant to a Fiscal Agent Agreement, dated as of May 1, 1994 (the “Fiscal Agent Agreement”), between the Former CDC and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”); and

WHEREAS, immediately upon their issuance, the 1994 CDC Bonds were sold to, in connection with the issuance by, the Huntington Park Public Financing Authority (the “HPPFA”) of its \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A (the “1994 Series A Bonds”), its \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B (the “1994 Series B Bonds”), and its \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (the “1994 Series C Bonds,” and together with the 1994 Series A Bonds and the 1994 Series B Bonds, the “1994 Bonds”), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the 1994 Bonds were issued under an Indenture of Trust, dated as of May 1, 1994 (the “1994 Indenture”), between the HPPFA and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as trustee (the “1994 Authority Trustee”); and

WHEREAS, in 2004 the HPPFA issued its \$55,875,000 Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “2004 Bonds”) for the purpose of refunding and defeasing all of the outstanding 1994 Bonds (but for certain then outstanding 1994 Series C Zero Coupon Bonds which would remain outstanding until their respective maturity dates, which dates have passed), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the 2004 Bonds were issued under an Indenture of Trust, dated as of June 1, 2004 (the “2004 Indenture”), between the HPPFA and U.S. Bank National Association, as trustee (the “2004 Authority Trustee”); and

WHEREAS, in connection with the issuance of the 2004 Bonds, the 1994 CDC Bonds were transferred by the 1994 Authority Trustee, together with all possession of and right, title and interest therein, to the 2004 Authority Trustee to provide for payment of obligations with respect to the 2004 Bonds as provided in the Instruction Agreement, dated June 17, 2004 (the “2004 Instruction Agreement”) among the HPPFA, the Former CDC, the 1994 Authority Trustee and Fiscal Agent; and

WHEREAS, the 2004 Bonds are further supported by payments under the Assistance Agreement, dated as of June 1, 2004 (the “2004 Assistance Agreement”) between the Former CDC and the City; and

WHEREAS, as provided in the Fiscal Agent Agreement and the 2004 Assistance Agreement, current costs of the 1994 CDC Bonds include a transferred proceeds penalty due to the Internal Revenue Service in an amount up to \$3.4 million (the “IRS Liability”), which amount will be due and payable at, and not later than 60 days following, the refunding of the 2004 Bonds, and constitutes an enforceable obligation of the Successor Agency which amount may be paid (i) as costs of the refunding or (ii) from a portion of the redemption price of the 1994 CDC Bonds advanced to the HPPFA in accordance with the Fiscal Agent Agreement; and

WHEREAS, the 1994 CDC Bonds are subject to optional redemption on any date at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the 2004 Bonds are subject to optional redemption on any date on or after September 1, 2016 through August 31, 2016 at a redemption price equal to 101% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the redemption price of the 1994 CDC Bonds will generate a redemption price in excess of the redemption price of the 2004 Bonds; and

WHEREAS, the Successor Agency desires to undertake the refunding of its obligations under its 1994 CDC Bonds and 2004 Assistance Agreement (together, the “Refunded Obligations”) and, by extension, effect a refunding of the 2004 Bonds, and the IRS Liability; and

WHEREAS, the Successor Agency has authorized the issuance of its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the “Series 2016 Bonds”), in order to refund the Refunded Obligations, fund a reserve account and pay the costs of issuance of the Series 2016 Bonds, and has determined that it is in the best financial interests of the Successor Agency to use a portion of the proceeds of the Series 2016 Bonds to optionally prepay the portion of the 1994 CDC Bonds on _____, 2016 (the “Redemption Date”) and to use the prepayment amounts on the 1994 CDC Bonds to redeem in full all of the 2004 Bonds (the 1994 CDC Bonds and the 2004 Bonds are referred to herein as the “Prior Obligations”), all as described in these Instructions; and

WHEREAS, the Series 2016 Bonds are being issued pursuant to an Indenture of Trust dated as of _____ 1, 2016 (the “Series 2016 Indenture”), between the Successor Agency and U.S. Bank National Association, as trustee for the Series 2016 Bonds (in such capacity, the “Series 2016 Agency Trustee”); and

WHEREAS, the Successor Agency desires to give these Instructions to the Prior Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys and/or securities to provide for the optional redemption of the 1994 CDC Bonds pursuant to the Fiscal Agent Agreement and the optional redemption of the 2004 Bonds pursuant to the 2004 Indenture;

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

Section 1. Redemption Fund. There has heretofore been established, or by these Instructions shall be established under, the Fiscal Agent Agreement a special fund held by the Prior Trustee known as the "Redemption Fund." All cash deposited in or transferred to the Redemption Fund pursuant to these Instructions is hereby irrevocably pledged as a special trust fund for (1) the optional redemption of the 1994 CDC Bonds pursuant to the Fiscal Agent Agreement and, by application in accordance with the Fiscal Agent Agreement, (2) the optional redemption of the 2004 Bonds pursuant to the 2004 Indenture, all in accordance with these Instructions. The Prior Trustee shall have no lien upon or right of set off against such cash at any time on deposit in the Redemption Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit and Transfer into Redemption Fund. Concurrently with delivery of the Series 2016 Bonds, the Successor Agency shall cause to be transferred to the Prior Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the Series 2016 Bonds, which amount the Prior Trustee shall then deposit into the Redemption Fund. Additionally, the Prior Trustee shall transfer certain other funds related to the Prior Obligations held by the Trustee pursuant to the Fiscal Agent Agreement in the amount of \$_____ and the 2004 Indenture in the amount of \$_____ (all as set forth in Exhibit A hereto), together with \$_____ from the Series 2016 Indenture, for a total of \$_____.

As required by the Fiscal Agent Agreement, the report of _____, an Independent Financial Consultant (as defined in the Fiscal Agent Agreement), has been provided to the Prior Trustee verifying that the amounts on deposit in the Redemption Fund are sufficient to pay and discharge the indebtedness on the 1994 CDC Bonds and, accordingly, the 2004 Bonds on the Redemption Date.

[The Trustee shall hold all amounts deposited in the Redemption Fund pursuant to these Instructions uninvested.]

The Successor Agency confirms that in connection with making the deposits described herein, it is discharging the lien provided for in the Fiscal Agent Agreement, including without limitation, the pledge of Tax Revenues (as defined in the Fiscal Agent Agreement) and all other rights granted thereby, with respect to the 1994 CDC Bonds pursuant to Section 10.03 of the Fiscal Agent Agreement.

Section 3. Proceedings for Prepayment and Redemption of Prior Obligations. The Successor Agency hereby irrevocably elects, and directs the Prior Trustee, to take all action to (1) optionally prepay the 1994 CDC Bonds pursuant to the Fiscal Agent Agreement on the Redemption Date, and (2) optionally redeem the 2004 Bonds pursuant to the 2004 Indenture on the Redemption Date. The Prior Trustee is hereby instructed to mail notice of redemption to the owners of the 2004 Bonds pursuant to the 2004 Indenture in substantially in the form attached hereto as Exhibit B. The Prior Trustee waives any requirement in the Fiscal Agent Agreement or the 2004 Indenture or any other document related to the Prior Obligations that it receive any prior written notice of the redemption of the 1994 CDC Bonds or the redemption of the 2004 Bonds other than these Instructions.

Section 4. Application of Funds to Redeem Prior Obligations. The Prior Trustee is hereby irrevocably instructed to, and the Prior Trustee hereby agrees, to apply the amounts on deposit in the Redemption Fund to optionally redeem the 1994 CDC Bonds on the Redemption Date at a price equal to the principal amount thereof, plus accrued interest thereon to the Redemption Date, and optionally redeem the 2004 Bonds on the Redemption Date at a price equal to 101% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

From amounts on deposit in the Redemption Fund, in the amount of \$_____, the Prior Trustee is hereby irrevocably instructed to, and the Prior Trustee hereby agrees, to pay the IRS Liability by transferring such amount to the Internal Revenue Service on or before _____, 2016 [60 days of the date hereof].

Section 5. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Prior Trustee a certification of an Independent Financial Consultant (as defined in the Fiscal Agent Agreement) stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 6. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

Capitalized undefined terms used in these Instructions shall have the meanings ascribed thereto, as applicable, in the Fiscal Agent Agreement or the 2004 Indenture.

Dated: _____, 2016

SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY
OF HUNTINGTON PARK

By: _____
Authorized Representative

ACKNOWLEDGED AND AGREED:

HUNTINGTON PARK PUBLIC FINANCING
AUTHORITY

By: _____
Authorized Officer

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION, as Fiscal
Agent and 2004 Authority Trustee

By: _____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION, as Series
2016 Agency Trustee

By: _____
Authorized Officer

EXHIBIT A

FUNDS TRANSFERRED BY PRIOR TRUSTEE TO REDEMPTION FUND

Fund	Amount
Interest Account	
Principal Account	
Subtotal	
Series 2016 Bonds	
Total Funds Transferred	

EXHIBIT B

FORM OF NOTICE OF REDEMPTION

**HUNTINGTON PARK REDEVELOPMENT AGENCY
MERGED REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, 1994 SERIES A**

CERTIFICATE OF DISCHARGE

The undersigned, as (1) fiscal agent (the "Fiscal Agent") under that certain Fiscal Agent Agreement, dated as of May 1, 1994 (the "Fiscal Agent Agreement"), between the Huntington Park Redevelopment Agency (the "Former CDC") and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as Fiscal Agent, and (2) as trustee under that certain Indenture of Trust, dated as of June 1, 2004 (the "2004 Indenture"), between the Huntington Park Public Financing Authority (the "HPPFA") and U.S. Bank National Association, as trustee (the "2004 Authority Trustee" and, together with the Fiscal Agent, the "Prior Trustee"), and (3) the Request of the Agency and Instruction for Deposit and Discharge, dated _____, 2016 (the "Instructions"), executed by the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") and agreed and accepted by the Prior Trustee, relating to the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the "1994 CDC Bonds") and the Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the "2004 Bonds"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same, and the undersigned, does hereby acknowledge that the lien provided for in the Fiscal Agent Agreement, including, without limitation, the pledge of the Tax Revenues (as defined in the Fiscal Agent Agreement) and all of rights granted by the Fiscal Agent Agreement, have ceased, terminated and become void and discharged and satisfied pursuant to Section 10.03 of the Fiscal Agent Agreement.

Dated _____, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Representative

U.S. BANK NATIONAL ASSOCIATION,
as 2004 Authority Trustee

By: _____
Authorized Representative

**HUNTINGTON PARK REDEVELOPMENT AGENCY
MERGED REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, 1994 SERIES A**

**CERTIFICATE OF U.S. BANK NATIONAL ASSOCIATION,
AS PRIOR TRUSTEE**

The undersigned hereby states and certifies:

(a) that the undersigned is an authorized officer of U.S. Bank National Association, as trustee (the "Prior Trustee") under (1) that certain Fiscal Agent Agreement, dated as of May 1, 1994 (the "Fiscal Agent Agreement"), between the Huntington Park Redevelopment Agency (the "Former CDC") and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as fiscal agent (the "Fiscal Agent"), and (2) that certain Indenture of Trust, dated as of June 1, 2004 (the "2004 Indenture"), between the Huntington Park Public Financing Authority (the "HPPFA") and U.S. Bank National Association, as trustee (the "2004 Authority Trustee" and, together with the Fiscal Agent, the "Prior Trustee"), and (3) the Request of the Agency and Instruction for Deposit and Discharge, dated _____, 2016 (the "Instructions"), executed by the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") and agreed and accepted by the Prior Trustee, relating to the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the "1994 CDC Bonds") and the Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the "2004 Bonds"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that the Prior Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Instructions;

(c) that the Prior Trustee is duly authorized to carry out corporate trust powers, and has the full power, authority and legal right to comply with and to perform its duties under the Instructions;

(d) that no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Prior Trustee that has not been obtained is or will be required for the consummation by the Prior Trustee of the other transactions contemplated to be performed by the Prior Trustee in connection with the acceptance and performance of the obligations created by the Instructions;

(e) that to the Prior Trustee's knowledge, compliance with the terms of the Instructions will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Prior Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Prior Trustee or any of its activities or properties;

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

(g) attached hereto as Exhibit A is a certified copy of the general resolution of the Prior Trustee, which is in full force and effect on the date hereof and which gives requisite authority to the officer to perform the above functions under the Instructions.

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

Dated: _____, 2016

**U.S. BANK NATIONAL ASSOCIATION, as
Prior Trustee**

By: _____
Authorized Officer

EXHIBIT A

(Certified copy of the General Resolution of the Prior Trustee)

§ _____
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK
TAX ALLOCATION REFUNDING BONDS
SERIES 2016 (FEDERALLY TAXABLE)

BOND PURCHASE CONTRACT

_____, 2016

Successor Agency to the Community Development Commission
of the City of Huntington Park
6550 Miles Avenue, Suite 116
Huntington Park, California 90255

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as fiduciary or agent for you, but on behalf of itself, hereby offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Issuer”) for the purchase from the Issuer, of the Issuer’s Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the “Bonds”). This offer is made subject to acceptance thereof by the Issuer prior to 11:59 p.m., California time, on _____, 2016, and upon such acceptance, as evidenced by the signature of the Executive Director of the Issuer in the space provided herein. This Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter.

The Issuer acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Issuer and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and has not assumed a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer on other matters); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Purchase Contract; (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the Issuer; and (vi) the Underwriter has provided the Issuer with, and the Issuer has received, certain disclosures required under the rules of the Municipal Securities Rulemaking Board.

The Issuer acknowledges that it has engaged [_____], as its Municipal Advisor (as defined in Securities and Exchange Commission Rule 15Ba1), and for financial advice purposes the Issuer will rely on the advice of [_____].

1. Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the representations and agreements herein set forth, the Issuer hereby agrees to sell and the Underwriter hereby agrees to purchase from the Issuer for offering to the public all (but not less than all) of the \$ _____ aggregate principal amount of the Successor Agency to the Community Development Commission of the City of Huntington Park Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable), at a purchase price equal to \$ _____ (representing an aggregate principal amount of \$ _____, plus/less original issue premium/discount of \$ _____, and less an underwriter's discount of \$ _____).

The Bonds will mature and bear interest at the interest rates as shown in Appendix A hereto and will be subject to redemption according to the terms set forth in the Indenture of Trust, dated as of _____ 1, 2016 (the "Indenture"), by and between the Issuer and U.S. Bank National Association (the "Trustee"). The Bonds will be authorized and issued pursuant to the Indenture approved by Resolution No. _____ adopted by the Issuer on [December 1, 2015] (the "Resolution"), and by Resolution No. _____ adopted by the Oversight Board for the Issuer on [December 7, 2015] (the "Oversight Board Resolution"), and in accordance with Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Bond Law"), Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 and on September 22, 2015 by Senate Bill No. 107, enacted as Chapter 26, Statutes of 2012 (the "Dissolution Act"), and the Constitution and other applicable laws of the State of California (the "State").

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement; however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds (the "Official Statement"), for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Terms defined in the Official Statement are used herein as so defined.

The Bonds are being issued to refund all of the outstanding Huntington Park Redevelopment Agency ("Prior Agency") Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the "1994 Bonds"). In connection with the refunding of the 1994 Bonds, the Issuer, as successor to the Prior Agency, will enter into Escrow Instructions, dated as of _____ 1, 2016 (the "Escrow Instructions"), with U.S. Bank National Association, as escrow bank (the "Escrow Bank").

2. Official Statement. The Issuer shall deliver, or cause to be delivered, to the Underwriter two (2) executed copies of the Official Statement prepared in connection with the Bonds, in such form as shall be approved by the Issuer and the Underwriter and such additional conformed copies thereof as the Underwriter may reasonably request. The Issuer deems the Preliminary Official Statement, dated _____, 2016 (the "Preliminary Official

Statement”) to be “final” as of its date for purposes of Rule 15c2-12. By acceptance of this Purchase Contract, the Issuer hereby authorizes the use of copies of the Official Statement in connection with the public offering and sale of the Bonds, and ratifies and approves the distribution by the Underwriter of the Preliminary Official Statement.

3. Delivery of the Bonds. At approximately 9:00 a.m., California time, on _____, 2016, or at such earlier or later time or date, as shall be agreed upon by the Issuer, and the Underwriter (such time and date herein referred to as the “Closing Date”), the Issuer shall deliver to the Underwriter, acting on its own behalf at a location to be designated by the Underwriter, in Los Angeles, California, or such other place as designated by the Underwriter, the Bonds in definitive form and authenticated by the Trustee. The Underwriter, acting on its own behalf, shall accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by same day funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be made available to the Underwriter not later than the second business day before the Closing Date for purposes of inspection and packaging. The Bonds shall be delivered as registered bonds in the name of Cede & Co., Inc.

4. Representations and Agreements of the Issuer. The Issuer represents and agrees that:

(a) The Issuer is a public entity, duly organized and existing, and authorized to transact business and exercise powers, under and pursuant to the Constitution and laws of the State, including the Dissolution Act, and has, and at the date of the Closing will have, full legal right, power and authority (i) to enter into this Purchase Contract, (ii) to issue, sell and deliver the Bonds to the Underwriter, acting on its own behalf, as provided herein, (iii) to adopt the Resolution, and (iv) to carry out and to consummate the transactions contemplated by this Purchase Contract, the Indenture, the Escrow Instructions, the Continuing Disclosure Certificate, dated as of _____, 2016 (the “Disclosure Certificate”), with respect to the Bonds, and the Official Statement;

(b) The Preliminary Official Statement (other than statements therein pertaining to the DTC and its book-entry system[, the Bond Insurer and the Bond Insurance Policy,]and any information provided by the Underwriter, as to which no view is expressed), as of its date, was true, correct and complete in all material respects and did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) The Official Statement (other than statements therein pertaining to the DTC and its book-entry system[, the Bond Insurer and the Bond Insurance Policy,]and any information provided by the Underwriter, as to which no view is expressed) is, and will be, as of the Closing Date, true, correct and complete in all material respects and does not, and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(d) The Issuer to the best of its knowledge has complied, and will at the Closing Date be in compliance, in all respects with the Bond Law, the Dissolution Act, and any other applicable laws of the State;

(e) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Indenture, the Escrow Instructions, the Bonds, the Disclosure Certificate and this Purchase Contract, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded;

(f) As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Issuer to the best of its knowledge is not and will not be in any material respect in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State, of the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, indenture, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption of the Resolution and the execution and delivery of the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate and this Purchase Contract, and compliance with the provisions of each thereof, will not conflict in any material way with or constitute a material breach of or material default under any law, administrative regulation, judgment, decree, loan agreement, note, indenture, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject; and, except as described in the Official Statement, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the revenues and amounts pledged pursuant to, or subject to the lien of, the Indenture;

(g) To the best of its knowledge all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to adoption of the Resolution, execution and delivery by the Issuer of the Indenture, the Escrow Instructions, the Disclosure Certificate, and this Purchase Contract, and the issuance, sale and delivery of the Bonds have been obtained or will be obtained prior to the Closing;

(h) The Bonds when issued, authenticated and delivered in accordance with the Indenture will be validly issued, and will be valid, legal and binding, obligations of the Issuer;

(i) To the best of its knowledge the terms and provisions of the Indenture comply in all respects with the requirements of the Bond Law, the Dissolution Act, and the Indenture, the Escrow Instructions, the Disclosure Certificate and this Purchase Contract, when properly executed and delivered by the respective parties thereto and

hereto, will constitute the valid, legal and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, debt adjustment, fraudulent conveyance, reorganization, moratorium or other laws affecting creditors' rights generally and general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity) , the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against public entity in appropriate cases;

(j) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending against the Issuer and notice of which has been served upon the Issuer, or to the best knowledge of the officer of the Issuer executing this Purchase Contract threatened against the Issuer, affecting the existence of the Issuer or the titles of its members or officers, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment or collection of any amounts pledged or to be pledged to pay the principal of, redemption premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate or this Purchase Contract or the consummation of the transactions contemplated thereby and hereby, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power or authority of the Issuer to issue the Bonds, to adopt the Resolution or to execute and deliver the Indenture, the Escrow Instructions, the Disclosure Certificate, or this Purchase Contract, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the Issuer's performance under the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate, or this Purchase Contract, or the validity or enforceability of the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate, or this Purchase Contract;

(k) Any certificate signed by an authorized officer or official of the Issuer and delivered to the Underwriter shall be deemed a representation of the Issuer to the Underwriter as to the statements made therein;

(l) Each of the Bonds shall be secured in the manner and to the extent set forth in the Indenture under which each such Bond is to be issued;

(m) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the Issuer shall not be required to pay the costs of such qualification or to consent to service of process outside of California;

(n) The Issuer will apply the proceeds of the Bonds in accordance with the Indenture and all other applicable documents and as described in the Official Statement;

(o) There are no outstanding bonds, notes or other obligations of the Prior Agency, as succeeded by the Issuer, which are payable out of the funds and revenues pledged to the payment of the Bonds on a parity with or senior to the Bonds;

(p) The Agency has received a “finding of completion” issued by the State Department of Finance pursuant to Health and Safety Code Section 34179.7.

(q) The Issuer shall provide to the Underwriter, not later than seven (7) business days after the date of this Purchase Contract, but in any event in sufficient time to accompany any confirmation sent by the Underwriter to a purchaser of the Bonds, not more than 200 copies of the Official Statement to satisfy the Underwriter’s obligation under Rule 15c2-12 with respect to the distribution of the Official Statement; and

(r) Except as disclosed in the Official Statement and based on a review of its previous undertakings, during the past five years neither the Agency nor the Prior Agency have defaulted under any prior continuing disclosure undertaking.

5. Representations of the Underwriter. The Underwriter represents that it has full right, power, and authority to enter into this Purchase Contract.

6. Covenants re Official Statement. The Issuer covenants with the Underwriter that so long as the Underwriter, or dealers, if any, are participating in the distribution of the Bonds which constitute the whole or a part of their unsold participations, if an event known to the Issuer occurs affecting the Issuer, or the transactions contemplated by the Indenture and the issuance of the Bonds, which could cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if in the opinion of the Issuer, the Underwriter or Bond Counsel, such event requires an amendment or supplement to the Official Statement, the Issuer will amend or supplement the Official Statement in a form and in a manner jointly approved by the Issuer and the Underwriter, and the Issuer will bear the cost of making and printing such amendment or supplement to the Official Statement and distributing such amendment or supplement to Owners of the Bonds. The obligations of the Issuer under this Section 6 shall terminate on the earlier of (a) ninety (90) days from the “end of the underwriting period,” as defined in Rule 15c2-12, or (b) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the end of the underwriting period. Unless otherwise notified by the Underwriter pursuant to Section 1 hereof not later than thirty (30) days after the Closing Date, the Issuer may assume that the end of the underwriting period is the Closing Date.

7. Conditions to Obligations of Underwriter. The Underwriter has entered into this Purchase Contract in reliance upon the representations and agreements of the Issuer contained herein and upon the accuracy of the statements to be contained in the documents, opinions, and instruments to be delivered at the Closing. Accordingly, the Underwriter’s obligation under this Purchase Contract to purchase, accept delivery of, and pay for the Bonds on the Closing Date is subject to the performance by the Issuer of its’ obligations hereunder at or prior to the Closing.

The following additional conditions precedent relate to the Closing, in connection with the Underwriter's obligation to purchase the Bonds:

(a) At the time of the Closing, (i) the representations of the Issuer contained herein to the best of its' knowledge shall be true, complete and correct in all material respects; and (ii) the Indenture shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter;

(b) The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the Closing, (i) legislation shall have been enacted (or indenture or resolution passed) by or introduced or pending legislation amended in the Congress of the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling shall have been made or indenture shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or State authority, with respect to State taxation upon interest on obligations of the general character of the Bonds or with respect to the security pledged to pay debt service on the Bonds, that, in the Underwriter's reasonable judgment, materially adversely affects the market for the Bonds, or the market price generally of obligations of the general character of the Bonds or (ii) there shall exist any event that, in the Underwriter's reasonable judgment, either (A) makes untrue or incorrect in any material respect any statement or information in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws, the effect of which on the financial markets of the United States will be such as in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices of securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the Securities and Exchange Commission of the United States or any other governmental authority having jurisdiction that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, or (v) a general banking moratorium shall have been declared by federal, New York or State authorities having jurisdiction and be in force that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, or (vi) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission of the United States or other governmental agency

having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any obligations of the general character of the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect, or otherwise are or would be in violation of any provision of the federal securities laws, or (vii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or materially increase any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters, or (viii) there shall have been any materially adverse change in the affairs of the Issuer which in the Underwriter's reasonable judgment materially adversely affects the market for the Bonds, or (ix) general political, economic or market conditions which, in the reasonable judgment of the Underwriter, shall make it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds; and

(c) At or prior to the Closing, the Underwriter and the Issuer shall receive the following:

(1) The unqualified approving opinion of Orrick, Herrington & Sutcliff LLP, Los Angeles, California, bond counsel (the "Bond Counsel"), in form and substance acceptable to the Underwriter, addressed to the Issuer, dated the date of the Closing, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(2) A supplemental opinion of Bond Counsel, addressed to the Underwriter, and the Issuer, in form and substance acceptable to each of them, dated the date of Closing, to the following effect:

(i) The Issuer has duly authorized, executed and delivered the Indenture, the Escrow Instructions, the Disclosure Certificate and the Purchase Contract. The Indenture, the Escrow Instructions, the Disclosure Certificate and the Purchase Contract constitute the legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles when equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(ii) The Official Statement has been duly authorized, executed and delivered by the Issuer;

(iii) The statements and information contained or summarized in the Preliminary Official Statement and Official Statement on the cover

page and under the headings “INTRODUCTORY STATEMENT,” “THE BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” “APPENDIX A – SUMMARY OF THE INDENTURE” and “APPENDIX B – FORM OF BOND COUNSEL OPINION” (but not including any statistical or financial information set forth under such headings, or any information concerning DTC or its book-entry only system [or _____ or its insurance policy and debt service reserve policy], as to which no opinion need be expressed) insofar as such statements purport to summarize certain provisions of the Bond Law, the Dissolution Act, the Redevelopment Law, the Bonds, the Indenture and the Escrow Instructions, and the opinion of such Bond Counsel concerning certain federal and state tax matters relating to the Bonds, are accurate in all material respects;

(iv) The Bonds are exempt from registration under the Securities Act of 1933, as amended;

(v) The Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(vi) The Issuer has obtained all authorizations, approvals, consents or other orders of the State or any other governmental authority or agency within the State having jurisdiction over the Issuer for the valid authorization, issuance and delivery by the Issuer of the Bonds.

(3) The opinion of counsel to the Issuer, addressed to the Underwriter and the Issuer, in form and substance acceptable to each of them, dated the date of the Closing, to the following effect:

(i) The Issuer is a public entity, duly organized and validly existing under and by virtue of the Constitution and the laws of the State;

(ii) The Indenture, the Disclosure Certificate, the Escrow Instructions, and the Purchase Contract have been duly approved by the Resolution of the Issuer adopted at a regular meeting duly called and held in accordance pursuant to law and with all public notice required by law and at which a quorum of the members of the Issuer was continuously present, and the Resolution is in full force and effect and has not been modified, amended or rescinded;

(iii) The Indenture, the Disclosure Certificate, the Escrow Instructions, and the Purchase Contract have been duly approved by the Oversight Board Resolution adopted at a special meeting duly called and held in accordance pursuant to law and with all public notice required by law and at which a quorum of the members of the Oversight Board was continuously present, and the Oversight Board Resolution is in full force

and effect and has not been modified, amended or rescinded;

(iv) Except as described in the Official Statement, there is no litigation pending against the Issuer and notice of which has been served on the Issuer, or to the best of such counsel's knowledge after due inquiry, threatened against the Issuer, which: (a) challenges the right or title of any member or officer of the Issuer to hold his or her respective office or exercise or perform the powers and duties pertaining thereto; (b) challenges the validity or enforceability of the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate, or the Purchase Contract; (c) seeks to restrain or enjoin the issuance and sale of the Bonds, the adoption or effectiveness of the Resolution and Indenture, or the execution and delivery by the Issuer of, or the performance by the Issuer of its obligations under the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate, or the Purchase Contract; or (d) if determined adversely to the Issuer or its interests, would have a material and adverse affect upon the financial condition, assets, properties or operations of the Issuer; and

(v) The execution and delivery by the Issuer of, and the performance by the Issuer of its obligations under, the Bonds, the Indenture, the Escrow Instructions, the Disclosure Certificate, and the Purchase Contract, do not in any material respect conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Issuer is a party or by which it is bound.

(4) A certificate dated the date of the Closing, signed by the Executive Director or appropriate officer of the Issuer, to the effect that to the best of such officer's knowledge: (i) the representations and covenants of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the Closing Date; (ii) the Issuer has complied with all the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing; (iii) no event affecting the Issuer has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; (iv) there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending and notice of which has been served on and received by the Issuer or, to the best knowledge of the Issuer, threatened against or affecting the Issuer, to restrain or enjoin the Issuer's participation in, or in any way contesting the existence of the Issuer or the powers of the Issuer with respect to, the transactions contemplated by the Purchase Contract, the Indenture, the Escrow Instructions, and the Disclosure Certificate,

and consummation of such transactions; and (v) the Indenture remains in full force and effect and has not been amended in any respect, except as approved in writing by the Underwriter, since the date of the Indenture;

(5) A certificate of the Trustee dated the date of the Closing, to the effect that: (i) the Trustee is organized and existing as a national banking association under and by virtue of the laws of the United States of America, having full power and being qualified and duly authorized to perform the duties and obligations of the Trustee and Escrow Agent under and pursuant to the Indenture and the Escrow Instructions (together, the “Trustee Documents”); (ii) the Trustee has agreed to perform the duties and obligations of the Trustee as set forth in the Indenture; (iii) to the best of its knowledge, compliance with the provisions on the Trustee’s part contained in the Trustee Documents will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Trustee or any material law, administrative regulation, judgment, decree, loan agreement, indenture, resolution, bond, note, agreement or other instrument to which the Trustee is a party or is otherwise subject, as a result of which the Trustee’s ability to perform its obligations under the Trustee Documents would be impaired, nor will any such compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, agreement or other instrument, except as provided by the Trustee Documents; and (iv) to the best of the knowledge of the Trustee, the Trustee has not been served in any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending nor is any such action, suit, proceeding, inquiry or investigation threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the delivery of the Bonds issued under the Indenture or the collection of revenues pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture, or the pledge thereof, or in any way contesting the powers of the Trustee or its authority to enter into or perform its obligations under the Trustee Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the Disclosure Certificate;

(6) An opinion of counsel to the Trustee dated the Closing Date and addressed to the Issuer and the Underwriter, in form and substance satisfactory to the Underwriter, to the effect that: (i) the Trustee has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States of America with full corporate power to undertake the trust of the Indenture; (ii) the Trustee has duly authorized, executed and delivered the Trustee Documents, and by all proper corporate action has authorized the acceptance of the duties and obligations of the Trustee under the Trustee

Documents and to authorize in its capacity as trustee thereunder the authentication and delivery of the Bonds; (iii) assuming due authorization, execution and delivery by the City, the Trustee Documents are valid, legal and binding agreements of the Trustee, enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); (iv) exclusive of federal or state securities laws and regulations, to the best of such counsel's knowledge after reasonable inquiry and investigation, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filings such counsel believes, after reasonable inquiry and investigation, to have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Trustee Documents or the authentication and delivery of the Bonds; (v) to the best of such counsel's knowledge, the execution and delivery by the Trustee of the Trustee Documents and the Bonds, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, the Articles of Incorporation or Bylaws of the Trustee or any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or (except as provided in the Indenture and the Escrow Instructions) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and (vi) to the best of such counsel's knowledge, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Bonds and the Trustee Documents;

(7) Two (2) copies of this Purchase Contract duly executed and delivered by the parties thereto;

(8) Two (2) copies of the Official Statement, executed on behalf of the Issuer by the Executive Director or such other appropriate officer of the Issuer;

(9) One (1) certified copy of the Indenture, the Escrow Instructions, the Disclosure Certificate, and all resolutions of the Issuer and the Oversight Board relating to the issuance of the Bonds (including without limitation the Resolution and the Oversight Board Resolution);

(10) A letter, dated the date of the Closing and addressed to the Issuer, of Disclosure Counsel, to the effect that based upon its participation in the preparation of the Official Statement and without having undertaken to determine

independently the accuracy or completeness of the statements in the Official Statement, the Official Statement as of its date or as of the date of Closing (excluding therefrom financial statements and other financial, engineering and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information about the Depository Trust Company and book-entry only system; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction; and, without limiting the foregoing, the statements contained in the Official Statement under the captions “BOND INSURANCE,” “TAX MATTERS” and Appendices A, B, C, D, E, F and G; as to all of which we express no view herein) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(11) A defeasance opinion of Bond Counsel, dated the Closing Date, to the effect that the lien of the 1994 Bonds with respect to the Tax Revenues has been discharged;

(12) A Willdan Financial Services (“Willdan”), to the following effect:

(i) in connection with the issuance of the Bonds, Willdan, as fiscal consultant (the “Fiscal Consultant”), has provided the Issuer certain projections and estimates (the “Projections”) and a Fiscal Consultant Report (the “Fiscal Consultant’s Report”) with respect to the taxable valuation and Tax Revenues with respect to the Merged Project Area. The Fiscal Consultant has obtained such information from Los Angeles County and other sources as the Fiscal Consultant deemed necessary and relevant to generate the Fiscal Consultant’s Report and to express an informed opinion with respect to the matters discussed in such Fiscal Consultant’s Report;

(ii) the Fiscal Consultant has reviewed the Official Statement and, in particular, information presented in the tables set forth in the Official Statement under the captions “THE MERGED PROJECT AREA” and “TAX REVENUES,” and as of the date of the Official Statement and as of the Closing Date, such information and the Fiscal Consultant’s Report fairly and accurately reflect the Projections and, to the best knowledge of the Fiscal Consultant, do not contain any untrue or misleading statement of a material fact and do not fail to state a material fact necessary in order to make the information contained therein, not misleading;

(iii) Nothing has come to the attention of the Fiscal Consultant which would cause the Fiscal Consultant to believe that the statements and information contained in the Official Statement that are attributable to the Fiscal Consultant, including but not limited information under the captions “THE MERGED PROJECT AREA” and “TAX REVENUES,” and

“APPENDIX F – FISCAL CONSULTANT’S REPORT” as of the date of the Official Statement, are inaccurate in any material respect; and no event or act known to the Fiscal Consultant has occurred since the date of the Official Statement which would make such statements and information inaccurate or misleading; and

(iv) the Fiscal Consultant affirms its consent to the inclusion of such Projections in the Official Statement and the reproduction of the Fiscal Consultant’s Report in the appendices of the Official Statement;

(13) A rating letter from Standard & Poor’s Ratings Group;

(14) [The municipal bond insurance policy insuring the payment of principal and interest with respect to the Bonds (the “Policy”), issued by _____ (the “Bond Insurer”);

(15) The municipal bond debt service reserve insurance policy (the “Reserve Policy”) issued by the Bond Insurer for credit to the Reserve Account with respect to the Bonds];

(16) [An opinion of counsel to the Bond Insurer, dated the Closing Date, addressed to the Agency, the Trustee and the Underwriter, regarding the Bond Insurer’s valid existence, power and authority, the Bond Insurer’s due authorization and issuance of the Policy and the Reserve Policy and the enforceability of the Policy and the Reserve Policy against the Bond Insurer;]

(17) [A certificate of the Bond Insurer or an opinion of counsel to the Bond Insurer, dated the Closing Date, regarding the accuracy of the information in the Official Statement describing the Bond Insurer and the Policy and the Reserve Policy;]

(18) Verification report from Causey Demgen & Moore; and

(19) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Bond Counsel or Disclosure Counsel may reasonably request to evidence compliance by the Issuer with this Purchase Contract, legal requirements, and the performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

The Issuer will furnish the Underwriter with such conformed copies of such opinions, certificates, letters and documents as the Underwriter may reasonably request. If the Issuer is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Underwriter, the Issuer shall have any further obligations hereunder, except as provided in Section hereof.

However, the Underwriter may in its discretion waive one or more of the conditions imposed by this Purchase Contract for the protection of the Underwriter and proceed with the related Closing.

If this Purchase Contract shall be terminated pursuant to this Section , including but not limited to paragraphs (b) and (c), or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligation hereunder is not satisfied or because of any refusal, inability or failure on the part of the Issuer to comply with any of the terms or to fulfill any of the conditions of this Purchase Contract, or if for any reason the Issuer shall be unable to perform all of their respective obligations under this Purchase Contract, the Issuer shall not be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Purchase Contract.

8. Expenses.

The Underwriter shall be under no obligation to pay, and the Issuer shall pay from its available funds or from the proceeds of the Bonds, certain expenses set forth in this Section, including but not limited to: (i) all expenses in connection with the preparation, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, (ii) all expenses in connection with the printing, issuance and delivery of the Bonds, (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriter's Counsel in connection with the Bonds, (iv) the fees and disbursements of counsel to the Issuer in connection with the Bonds, (v) the disbursements of the Issuer in connection with the issuance of the Bonds, (vi) the fees and disbursements of the Trustee, (vii) rating agency fees, and (viii) fees of the Fiscal Consultant.

The Underwriter shall pay (i) fees, if any, payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds; (ii) the cost of preparation of the Blue Sky and Legal Investment Memoranda and all Blue Sky filing fees in connection with the public offering of the Bonds; (iii) all advertising expenses in connection with the public offering of the Bonds; (iv) any securities association fees; (v) CUSIP Bureau charges; and (vi) all other expenses incurred by it in connection with its public offering and distribution of the Bonds.

9. Notice. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing at the address set forth above. Any such notice or communication to be given to the Underwriter may be given by delivering the same in writing to:

Stifel, Nicolaus & Company, Incorporated
515 South Figueroa St, Ste 1800
Los Angeles, California 90071
Attention: Jose A. Vera

10. Governing Law. This Purchase Contract shall be governed by the laws of the State of California. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

11. Parties in Interest. This Purchase Contract is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof except as provided in Section 11 hereof. All representations in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) delivery of and payment for any of the Bonds and (b) any termination of this Purchase Contract.

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

Authorized Representative

Accepted as of the date first stated above:

SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF HUNTINGTON PARK

By: Executive Director

Time of Execution: _____

APPENDIX A

\$ _____
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK
TAX ALLOCATION REFUNDING BONDS
SERIES 2016 (FEDERALLY TAXABLE)

<u>Maturity Date</u> (September 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ _____ - _____% Term Bond due September 1, 20____ - Yield - _____%, Price _____%

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Successor Agency”) in connection with the issuance of the Agency’s \$_____ principal amount of Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of _____ 1, 2016 (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”). The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“*Dissemination Agent*” shall mean [Willdan Financial Services][U.S. Bank National Association], acting in its capacity as dissemination agent hereunder, or any successor Dissemination Agent designated in writing by the Successor Agency, which may be the Trustee, and which has filed with the Trustee a written acceptance of such designation.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

“*Participating Underwriter*” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Agency's fiscal year (currently June 30), commencing with the report for the 2015-16 fiscal year, provide to the Participating Underwriter and the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the Successor Agency's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If the Successor Agency is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Successor Agency shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Successor Agency) file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The Successor Agency's Annual Report shall contain or incorporate by reference the following:

(a) [Audited Financial Statements of the Successor Agency (which may be a presented as a component of the City's Audited Financial Statements) prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.]

(b) The tabular financial information, operating data and descriptions contained in the Official Statement relating to the Bonds under the following headings presented on an annual basis, for the subject fiscal year; provided, however, no tabular financial information containing projections shall be required:

(i) Taxable assessed values for the Merged Project Area for the most recent fiscal year in substantially the format of Table ___ of the Official Statement;

(ii) Tax Revenues for the most recent fiscal year in substantially the format of Table ___ of the Official Statement;

(iii) An update of the ten largest assesseees in substantially the format of Table __ of the Official Statement;

(iv) An update of projected tax increment revenues in substantially the format of Table __ of the Official Statement for the most recent fiscal year only;

(v) Tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy; and

(vi) Amount of all Successor Agency debt outstanding secured by a pledge of the Tax Revenues derived from the Merged Project Area and cumulative amount of Tax Revenues received by the Successor Agency to date.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or public entities related thereto, which have been submitted to the MSRB through the EMMA System. If the document included by reference is a final official statement, it must be available from the MSRB through the EMMA System. The Successor Agency shall clearly identify each such other document so included by reference.

Any or all of the items listed above may be modified as appropriate to reflect new industry standards as they evolve and are endorsed by the California Public Securities Association, and may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to the MSRB through the EMMA System. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;

8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Successor Agency shall determine if such event would be material under applicable federal securities laws.

(d) If the Successor Agency learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Successor Agency shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given

under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's and the Dissemination Agent's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, redemption or payment in full of all of the Bonds or upon the delivery to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of and any notice or report prepared by the Successor Agency pursuant to the Disclosure Certificate. The initial Dissemination Agent shall be Willdan Financial Services. If at any time there is no designated Dissemination Agent appointed by the Successor Agency, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of Dissemination Agent hereunder, the Successor Agency shall be the Dissemination Agent and undertake or assume its obligations hereunder. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Successor Agency from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, holders or beneficial owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Successor Agency pursuant to this Disclosure Certificate.

The Dissemination Agent may at any time resign by giving written notice of such resignation to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a

change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Successor Agency shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. All of the immunities, indemnities, and exceptions from liability in Article VII of the Indenture insofar as they relate to the Trustee shall apply to the Trustee and the Dissemination Agent in this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The obligations of the Successor Agency under this Section shall

survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Trustee or Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2016

SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
HUNTINGTON PARK

By _____
[Authorized Officer]

ACCEPTANCE OF DISSEMINATION AGENT:
The undersigned hereby accepts the designation of
Dissemination Agent and agrees to the duties set
forth in the foregoing Continuing Disclosure
Certificate.

WILLDAN FINANCIAL SERVICES

By: _____
Authorized Representative

EXHIBIT A

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING
BOARD OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Successor Agency to the Community Development Commission of the City of
Huntington Park

Name of Bond Issue: Successor Agency to the Community Development Commission of the City of
Huntington Park, Tax Allocation Refunding Bonds, Series 2016 (Federally
Taxable)

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Successor Agency to the Community Development
Commission of the City of Huntington Park (the "Successor Agency") has not provided an Annual Report
with respect to the above-named Bonds as required by Section 6.16 of the Indenture, dated as of _____ 1,
2016, by and between the Successor Agency and U.S. Bank National Association, as trustee. The
Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

_____ on behalf of the Successor Agency
to the Community Development Commission of
the City of Huntington Park

By _____
Title _____

cc: [Successor Agency, Trustee, Dissemination Agent]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE—BOOK-ENTRY

RATING:
Standard & Poor's: “_”
 (See “CONCLUDING INFORMATION - Rating” herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Agency, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

\$ _____ *

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
 COMMISSION OF THE CITY OF HUNTINGTON PARK
 TAX ALLOCATION REFUNDING BONDS
 SERIES 2016 (FEDERALLY TAXABLE)**

Dated: Delivery Date**Due: September 1, as shown on the inside front cover**

The \$ _____ * Successor Agency to the Community Development Commission of the City of Huntington Park Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the “Bonds”) will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. The Bonds will mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement. The principal of and the semiannual interest (due March 1 and September 1 of each year, commencing [March 1, 2016]) on the Bonds will be payable by U.S. Bank National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds (see “THE BONDS—Book-Entry System” herein).

The Bonds are being issued to (i) refund the currently outstanding Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A; (ii) fund a reserve account/purchase a reserve account surety for the Bonds, and (iii) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein.

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are payable from and secured solely from Tax Revenues (as defined herein) to be derived from the Amended Merged Redevelopment Project (the “Merged Project Area”) and moneys in certain funds pledged under the Indenture (as defined herein), as further described in this Official Statement.

[INSURER LANGUAGE]

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described herein.

The Bonds are not a debt of the City of Huntington Park (the “City”), the State of California (the “State”) or any of its political subdivisions (except the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Agency”)) and neither the City, the State or any of its political subdivisions (except the Agency) is liable therefor. The principal of and interest on the Bonds are payable solely from the Tax Revenues allocated to the Agency from the Merged Project Area and other funds as set forth in the Indenture (as defined herein). The Agency has no taxing power.

The Bonds are offered when, as and if delivered to and received by the Underwriter, subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the Agency. Certain legal matters will be passed on for the Agency by Olivarez Madruga, P.C., Los Angeles, California, Agency Counsel, and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2016.

STIFEL

The date of this Official Statement is _____, 2016.

\$ _____*

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK
TAX ALLOCATION REFUNDING BONDS
SERIES 2016 (FEDERALLY TAXABLE)**

Maturity Schedule

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	CUSIP [†] (Base _____)
--------------------------------	------------------	---------------	-------	------------------------------------

* Preliminary; subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor the Underwriter takes any responsibility for the accuracy of CUSIP® numbers set forth herein.

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK**

CITY COUNCIL AND AGENCY GOVERNING BOARD

Karina Macias, *Mayor/Chair*
Graciela Ortiz, *Vice Mayor/Vice Chair*
Valentin P. Amezcuita, *Councilperson/ Board Member*
Jhonny Pineda, *Councilperson/ Board Member*
Marilyn Sanabria, *Councilperson/ Board Member*

AGENCY STAFF

_____ Edgar Cisneros, *Executive Director*
Manuel Acosta, *Economic Development Director*
Donna G. Schwartz, *Secretary*
Mike Estrada, *Agency Counsel*

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Financial Advisor

[_____]

Fiscal Consultant

Willdan Financial Services
Temecula, California

Trustee and Escrow Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen & Moore
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Agency") or Stifel, Nicolaus & Company, Incorporated, (the "Underwriter") to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Agency or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been furnished by the Agency and includes information from sources that are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency or other matters described herein since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access website.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as otherwise stated, the Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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OFFICIAL STATEMENT

\$ _____ *

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK
TAX ALLOCATION REFUNDING BONDS
SERIES 2016 (FEDERALLY TAXABLE)**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Agency”) of its \$ _____ * Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) (the “Bonds”).

Authority and Purpose

The Bonds are being issued pursuant to the Community Redevelopment Law of the State of California (being Part I of Division 24 of the California Health and Safety Code, as amended) (the “Redevelopment Law”), and all laws amendatory thereof or supplemental thereto including, without limitation, the Dissolution Act (as defined below), and an Indenture of Trust, dated as of _____ 1, 2016 (the “Indenture”) by and between the Agency and U.S. Bank National Association, as trustee (the “Trustee”). See “THE BONDS – Authority for Issuance.”

The Bonds are being issued to (i) refund the currently outstanding Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 Bonds”); (ii) fund a reserve account/purchase a reserve account surety for the Bonds, and (iii) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein.

The 1994 Bonds. The Prior Agency (as defined herein) issued the 1994 Bonds in the initial aggregate principal amount of \$68,480,000 pursuant to a Fiscal Agent Agreement dated as of May 1, 1994 (the “Fiscal Agent Agreement”) by and between the Prior Agency and State Street Bank and Trust Company of California, N.A., (predecessor to U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”).

The City and the Prior Agency

The City of Huntington Park (the “City”) is a general law city and was incorporated on September 1, 1906. The City’s three square miles are characterized by a downtown retail area and dense residential development, encircled by large-scale industrial development in nearby cities. The City is bordered on the south by the City of South Gate, on the east by the City of Bell, by the cities of Vernon and Maywood to the north, and on the west by unincorporated Los Angeles County. See “APPENDIX G – SUPPLEMENTAL INFORMATION – THE CITY OF HUNTINGTON PARK.”

The original Huntington Park Redevelopment Agency was established pursuant to the Redevelopment Law by an ordinance of the City of Huntington Park City Council (the “City Council”) adopted in 1969 (“Original Agency”). In 2000, the City Council, pursuant to provisions of the Redevelopment Law, in particular Sections 34120(a) and 34115.5, declared the need for a community development commission and

* Preliminary; subject to change.

transferring all duties, powers and responsibilities of the Original Agency to a new entity called the Community Development Commission of the City of Huntington Park, as a public body, corporate and politic formed, organized, existing and exercising its powers pursuant Section 34100, *et seq.* of the Health & Safety Code, and exercising all of the power, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the Redevelopment Law and as a housing authority pursuant to the California Housing Authorities Law, Health & Safety Code Section 34200, *et seq.* Thereby, the Original Agency with the Huntington Park Housing Authority assumed the nature, power, authority function and jurisdiction of a community development commission (“Prior Agency”).

The Redevelopment Plan

Under the Redevelopment Law, the City Council is required to adopt, by ordinance, a redevelopment plan for each redevelopment project (the “Redevelopment Plan”). Pursuant to the Redevelopment Law, the City Council originally established three separate redevelopment project areas. The Central Business District Redevelopment Project was adopted and approved on December 21, 1971 by Ordinance No. 66-NS of the City Council. The Huntington Park Industrial Redevelopment Project was created on May 25, 1977 with the adoption by the City of Ordinance No. 167-NS. On July 7, 1980, the City adopted and approved Ordinance No. 261-NS establishing the Huntington Park North Redevelopment Project.

On February 5, 1990 with the adoption of Ordinance No. 468-NS, the City Council took action to merge the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project for the purposes of allocating Tax Increment Revenues. Collectively, the three merged redevelopment projects are referred to herein as the “Merged Redevelopment Project.”

Tax Allocation Financing; Security for the Bonds

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues (as defined herein) consist of a portion of such incremental tax revenues.

The Dissolution Act authorizes refunding bonds, including the Bonds, to be secured by a pledge of the same revenues pledged to the bonds being refunded, and to be payable from and further secured by monies deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency (the “RPTTF”), which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects including low- and moderate-income housing projects. **DISCUSSIONS HEREIN REGARDING TAX INCREMENT REVENUES NOW REFER TO THOSE MONIES DEPOSITED BY THE COUNTY-AUDITOR INTO THE RPTTF.**

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See “RISK FACTORS.”

The Dissolution Act requires the Los Angeles County Auditor-Controller (the “County Auditor-Controller”) to determine the amount of property taxes that would have been allocated to the Prior Agency had the Prior Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Agency will be considered indebtedness incurred by the dissolved Prior Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Agency’s Recognized Obligation Payment Schedule (see “APPENDIX A - SUMMARY OF THE INDENTURE” and “SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule”).

The Bonds will be payable from and secured by “Tax Revenues” as provided under the Indenture.

As defined in the Indenture, the term “Tax Revenues” means, all taxes annually allocated to the Agency with respect to the Merged Project Area following the Closing Date pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations; but excluding all amounts of such taxes required to be paid by the Agency to other taxing agencies pursuant to pass-through agreements or similar tax-sharing agreements entered into pursuant to Section 33401 of the Law existing on the Closing Date.

If, and to the extent, that the provisions of Health & Safety Code Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution; [excluding moneys required to pay Senior Obligations payable during such period.]. See “SECURITY FOR THE BONDS” herein.

Taxes levied on the property within the Merged Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Merged Project Area, to the extent they constitute Tax Revenues, as described herein, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency’s Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency’s Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act (see “SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule”). Monies deposited by the County Auditor-Controller into the Agency’s Redevelopment Obligation Retirement Fund will be transferred by the Agency to the Trustee for deposit in the Special Fund established under the Indenture, and administered by the Trustee in accordance therewith.

Outstanding Obligations

The Prior Agency entered into a Loan Agreement (Neighborhood Preservation), dated as of February 1, 2007 (the “Neighborhood Preservation Loan”), by and between the Prior Agency and Union Bank of California, N.A. (“Union Bank”), which loan is evidenced by a variable rate promissory note (the “Neighborhood Preservation Note”). Concurrently with the execution and delivery of the Neighborhood Preservation Note, the Prior Agency entered into an interest rate swap agreement with Union Bank. Under the swap agreement, the Agency is obligated to pay a fixed interest rate of 3.6% to Union Bank and Union Bank is obligated to pay the variable interest rate on the Neighborhood Preservation Note. The Neighborhood Preservation Note is currently outstanding in the principal amount of \$_____. The Neighborhood

Preservation Note matures on February 1, 2017 with a balloon payment of \$_____ ; however, the Agency expects Union Bank to extend the maturity date to the final maturity date of February 1, 2027. The Neighborhood Preservation Note is secured by tax increment revenues (net of housing set-aside revenues) relating solely to the Neighborhood Preservation Redevelopment Project Area and not relating to the Merged Project Area. If the Neighborhood Preservation Note is not extended, the Agency does not expect to have sufficient tax increment revenues from the Neighborhood Preservation Redevelopment Project Area to pay the balloon payment coming due on February 1, 2017. Tax Revenues from other project areas of the Agency will not be made available to pay such deficiency. [Furthermore, the Agency does not expect the lack of Tax Revenues from the Neighborhood Preservation Redevelopment Project Area to have a material adverse impact on the Agency's ability to pay debt service on the Bonds as such payments become due and payable.] [CONFIRM]

Reserve Fund

To secure the payment of the principal of and interest on the Bonds, a Reserve Fund is established pursuant to the Indenture. The Agency is required to maintain the Reserve Fund in an amount equal to the Reserve Requirement. Reserve Requirement means, as of the date of any calculation, [the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service]. See "SECURITY FOR THE BONDS" herein.

Further Information

Brief descriptions of the Bonds, the Indenture, the Agency, the Prior Agency, and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bond Law, the Redevelopment Law, the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Prior Agency, the Agency and the City are qualified in their entirety by reference to such documents. References herein to the Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto included herein, copies of which are all available for inspection at the City Clerk's office, City of Huntington Park, 6550 Miles Avenue, Huntington Park, California 90255.

BOND INSURANCE

[TO COME, IF APPLICABLE]

PLAN OF REFUNDING

Proceeds of the Bonds will be used to refund the 1994 Bonds. In connection with the refunding of the 1994 Bonds, proceeds of the Bonds, together with certain funds made available through the refunding of such obligations, will be deposited into an escrow fund with U.S. Bank National Association, the Escrow Agent, and used for the purposes of redeeming the 1994 Bonds. Amounts so deposited, which will be held uninvested in cash by the Escrow Agent, will be in an amount which will be sufficient to pay the principal, interest and redemption price of the 1994 Bonds upon their optional redemption approximately 30 days after the issuance of the Bonds.

Causey Demgen & Moore, (the "Verification Agent"), upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Agency, relating to the sufficiency of moneys deposited into the escrow fund to pay, when due, the principal, interest and redemption price of the 1994 Bonds.

The report of Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are summarized as follows:

<u>Sources:</u>	
Principal Amount of Bonds.....	
Released Funds	
Original Issue Premium (Discount).....	
Total Sources.....	
 <u>Uses:</u>	
Escrow Fund.....	
Reserve Fund.....	
Underwriter’s Discount.....	
Costs of Issuance Fund ⁽¹⁾	
Total Uses	

⁽¹⁾ Costs of Issuance include fees and expenses for Bond Counsel, Financial Advisor, Trustee, printing expenses, [bond insurance premium, surety bond premium,] rating fees and other costs relating to the issuance of the Bonds.

THE BONDS

Authority for Issuance

The Bonds were authorized for issuance pursuant to the Indenture, the Redevelopment Law and the Dissolution Act. The issuance of the Bonds and the Indenture was authorized by the Agency pursuant to Resolution No. _____ adopted on _____, 2015, and approved by the Oversight Board for the Agency pursuant to Resolution No. _____ adopted on _____, 2015 (the “Redevelopment Oversight Board Action”).

Description of the Bonds

The Bonds will be issued in Authorized Denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on March 1 and September 1, commencing on [March 1, 2016].

The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest and premium, if any, on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Direct Participants (defined herein) for subsequent disbursement to the Owners of the Bonds. See APPENDIX C – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The principal of and interest on the Bonds shall be payable by check in lawful money of the United States of America. The Bonds shall be issued as fully registered bonds in Authorized Denominations and shall be numbered as the Agency shall determine. The Bonds shall bear interest from their date of initial delivery. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

Annual Debt Service

Set forth below is the annualized debt service for the Bonds.

Maturity Date (September 1)	Principal	Interest	Total
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
Total			

Source: The Underwriter.

Redemption

[The Bonds are not subject to optional or mandatory redemption before their respective stated maturities.]

SECURITY FOR THE BONDS

The Bonds are payable from and secured solely from Tax Revenues to be derived from the Merged Project Area, and moneys in certain funds pledged under the Indenture.

Prior Redevelopment Law

The Original Agency was established pursuant to the Redevelopment Law by an ordinance of the City Council adopted in 1969. In 2000, the City Council, pursuant to provisions of the Redevelopment Law, in particular Sections 34120(a) and 34115.5, declared the need for a community development commission and transferring all duties, powers and responsibilities of the Original Agency to a new entity called the Community Development Commission of the City of Huntington Park, as a public body, corporate and politic formed, organized, existing and exercising its powers pursuant Section 34100, *et seq.* of the Health & Safety Code, and exercising all of the power, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the Redevelopment Law and as a housing authority pursuant to the California Housing Authorities Law, Health & Safety Code Section 34200, *et seq.* Thereby, the Original Agency with the Huntington Park Housing Authority assumed the nature, power, authority function and jurisdiction of a community development commission (“Prior Agency”).

The prior Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues consist of a portion of such incremental tax revenues.

Dissolution Act

In June 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Prior Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “Dissolution Act”). The Dissolution Act has been amended several times since its original enactment by AB X1 26, including but not limited to significant amendments that became effective on June 27, 2012 by the enactment of Assembly Bill No. 1484 (“AB 1484”), Chapter 26, Statutes of 2012, and on September 22, 2015, by the enactment of Senate Bill No. 107 (“SB 107”), Chapter 325, Statutes of 2015.

On February 6, 2012, pursuant to Resolution No. 2012-1 and Section 34173 of the Dissolution Act, the City Council of the City elected to serve as successor agency to the Prior Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Prior Agency will not be transferred to the City nor will the assets of the Prior Agency become assets of the City.

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Prior Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Prior Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to the Agency (the "RPTTF") established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Agency will be considered indebtedness incurred by the dissolved Prior Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Agency's Recognized Obligation Payment Schedule (see "APPENDIX A - SUMMARY OF THE INDENTURE" and "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule").

Pursuant to section 34177(a) of the Health and Safety Code, successor agencies are required to make all payments due on all "enforceable obligations." "Enforceable obligations" include bonds issued under the prior redevelopment law, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.

The Dissolution Act further provides that bonds authorized thereunder to be issued by the Agency will be secured by a pledge of, and lien on, and will be repaid from monies deposited from time to time in the RPTTF, and that property tax revenues pledged to any bonds authorized to be issued by the Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Agency pursuant to the subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Taxes levied on the property within the Merged Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Merged Project Area, to the extent they constitute Tax Revenues, as described herein, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule," and "RISK FACTORS – Recognized Obligation Payment Schedule" herein.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Merged Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area, as applicable, are to be divided as follows:

- (a) *To Taxing Agencies:* That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Merged Project Area as shown upon the assessment roll

used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area, as applicable (each, a “base year valuation”), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) *To the Prior Agency/Agency:* Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the Plan Limit following the Delivery Date, when collected will be paid into a special fund of the Prior Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the RPTTF shall be deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Prior Agency or the Agency to finance or refinance the redevelopment projects of the Prior Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above and provides that property tax override revenues approved by the voters for the purpose of supporting pension programs or capital projects or programs related to the State Water Project that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override. The City has levied a tax to fund its pension obligations and the Agency pledges such revenues to the Bonds pursuant to the Indenture. Tax Revenues expressly includes incremental increases in tax revenues levied pursuant to the City’s pension override tax rate approved by the voters of the City 1976.

Pursuant to the Pledge Statute and subject to the provisions of the Indenture permitting application thereof for the purposes and on the terms and conditions set forth in the Indenture, to secure the payment of all the Outstanding Bonds, and the interest payments becoming due, and to secure the performance and observance of all of the covenants, agreements and conditions contained in the Outstanding Bonds and the Indenture, the Agency irrevocably grants a lien on and a security interest in, and pledges, the Tax Revenues and all money in the “Successor Agency to the Community Development Commission of the City of Huntington Park, Special Fund” (hereinafter called the “Special Fund”), which is created by the Agency and which fund the Agency covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding under the Indenture, and in the funds or accounts so specified and provided for in the Indenture, whether held by the Agency or the Trustee, to the Trustee for the benefit of the Owners of the Outstanding Bonds, but excluding all moneys in the Rebate Fund established pursuant to the Tax Certificate (including within such exclusion investment income retained in the Rebate Fund) and the Costs of Issuance Fund. The Agency shall deposit all of the Tax Revenues received in any Bond Year in the Special Fund within ten (10) Business Days of the receipt thereof by the Agency, until such time (if any) during such Bond Year as the Tax Revenues on deposit in the Special Fund equal the aggregate Tax Revenues required to be transferred to the Trustee for deposit pursuant to the Indenture; and (except as may be otherwise provided in any Supplemental Agreement) any Tax Revenues received during such Bond Year in excess of such amounts shall be released from the pledge and lien under the Indenture and may be used for any lawful purpose of the Successor Agency. Prior to the payment in full of the principal of and interest on the Bonds, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except only as provided

in the Indenture and any Supplemental Agreements, and such moneys shall be used and applied as set forth in the Indenture and in any Supplemental Agreements. This lien on and security interest in and pledge of the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in the Indenture shall constitute a first pledge of and charge and lien upon the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in the Indenture, shall immediately attach and be effective, binding, and enforceable against the Agency, its successors, purchasers of any of the Bonds or such money in the Special Fund or in the funds or accounts so specified and provided for in the Indenture, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Tax Revenues and such money in the Special Fund and in the funds or accounts so specified and provided for in this Indenture and without the need for any physical delivery, recordation, filing or further act.

Tax Revenues are defined under the Indenture as for any period of time, moneys deposited from time to time in the RPTTF and payable to the Agency pursuant to Section 34183 of the Redevelopment Law. If, and to the extent, that the provisions of Health & Safety Code Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

Taxes levied on the property within the Merged Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Merged Project Area, to the extent they constitute Tax Revenues, as described herein, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act (see "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule"). Monies deposited by the County Auditor-Controller into the Agency's Redevelopment Obligation Retirement Fund will be transferred by the Agency to the Trustee for deposit in the Special Fund established under the Indenture and administered by the Trustee in accordance with such Indenture.

The Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds (see "SECURITY FOR THE BONDS – Tax Increment Financing" and "– Recognized Obligation Payment Schedule" and "RISK FACTORS").

The Bonds are not a debt of the City, the State or any of its political subdivisions (except the Agency), and none of the City, the State or any of its political subdivisions (except the Agency) is liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Bonds are a limited obligation of the Agency payable solely from Tax Revenues.

Tax Increment Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects including low- and moderate-income housing projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then

current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the Bonds, to be secured by a pledge of monies deposited from time to time in a RPTTF held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects including low- and moderate-income housing projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See “RISK FACTORS.”

The Redevelopment Law authorized redevelopment agencies to make payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project. The Prior Agency entered into two agreements for this purpose (the “Pass-Through Agreements”). Additionally, Section 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the “Statutory Pass-Through Amounts”). The Dissolution Act requires the County Auditor-Controller to distribute from the RPTTF amounts required to be distributed under the Pass-Through Agreements and for Statutory Pass-Through Amounts to the taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the RPTTF to the Agency’s Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Prior Agency, as succeeded by the Agency, (ii) the Agency has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available to the Agency from the RPTTF allocation to the Agency’s Redevelopment Obligation Retirement Fund, from other funds transferred from the Prior Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Agency’s enforceable obligations, pass-through payments, and the Agency’s administrative cost allowance for the applicable six-month period, and (iii) the State Controller has concurred with the Agency that there are insufficient funds for such purposes for the applicable six-month period.

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period. To provide for calculated shortages to be paid to the Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Agency’s enforceable obligations, pass-through payments, and the Agency’s administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Agency for administrative costs for the applicable six-month period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed under Pass-Through Agreements and for Statutory Pass-Through Amounts, in order to be paid to the Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted. The Dissolution Act provides for a procedure by which the Agency may make Statutory Pass-Through Amounts subordinate to the Bonds; however, the Agency has not undertaken such procedure, and therefore, Statutory Pass-Through Amounts are not subordinate to the Bonds (see “THE MERGED PROJECT AREA – Statutory Pass-Throughs”). The Agency cannot guarantee that this process prescribed by the Dissolution Act of administering the Tax Revenues and the subordinations provided in the Pass-Through Agreements will effectively result in adequate Revenues for the payment of principal and interest on the

Bonds when due. See “SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule.” See also “THE MERGED PROJECT AREA – Pass-Through Agreement” and “– Statutory Pass-Throughs” for additional information regarding the Pass-Through Agreement and the Statutory Pass-Through Amounts applicable to the Agency and the revenues derived from the Merged Project Area.

Under the Pass-Through Agreements, a portion of the pass-through payment obligations have been made subordinate to the debt service on the Bonds. See “APPENDIX F – FISCAL CONSULTANT’S REPORT.”

Recognized Obligation Payment Schedule

SB 107, enacted on September 22, 2015 and effective immediately upon its enactment, amended the Dissolution Act to transition all successor agencies from a semi-annual Recognized Obligation Payment Schedule process to an annual Recognized Obligation Payment Schedule process, commencing with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017. However, distributions from the Redevelopment Property Tax Trust Fund will continue to be made by the County Auditor-Controller to successor agencies (and tax sharing entities) each January 2 and June 1, within each annual Recognized Obligation Payment Schedule period.

Commencing with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017, the Agency is required to submit each annual Recognized Obligation Payment Schedule, after approval by the Oversight Board, to the County Auditor-Controller and the State Department of Finance no later than February 1, 2016, and each February 1 thereafter for subsequent annual Recognized Obligation Payment Schedules. For each annual Recognized Obligation Payment Schedule, the State Department of Finance must make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15 (commencing April 15, 2016 with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017). Within five business days of the determination by the State Department of Finance, the Agency may request additional review by the department and an opportunity to meet and confer on disputed items, if any, except those that are the subject of litigation disputing the department’s previous or related determination. The State Department of Finance must notify the Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the June 1 property tax distribution, with respect to items disputed on the originally submitted annual Recognized Obligation Payment Schedule.

Once per Recognized Obligation Payment Schedule period, and no later than October 1 of the applicable year, the Agency may submit one amendment to the annual Recognized Obligation Payment Schedule previously approved by the State Department of Finance, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second half of the Recognized Obligation Payment Schedule period (i.e., during January 1 through June 30), and the Agency may only amend the amount requested for payment of approved enforceable obligations. The State Department of Finance must notify the Agency and the County Auditor-Controller as to the outcome of its review of a requested amendment to an approved annual Recognized Obligation Payment Schedule at least 15 days before the applicable property tax distribution date.

If the Agency does not submit an annual Recognized Obligation Payment Schedule by the February 1 deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Agency’s administrative cost allowance is reduced by 25% if the Agency does not submit an annual Recognized Obligation Payment Schedule within 10 days after the February 1 deadline.

In connection with the allocation and distribution by the County Auditor-Controller of property tax revenues deposited in the RPTTF, under the Dissolution Act the County Auditor-Controller must prepare estimates of the amounts of (i) property tax to be allocated and distributed and (ii) the amounts of pass-through payments to be made in the upcoming six-month period, and provide those estimates to the entities receiving the distributions and the State Department of Finance no later than October 1 and April 1 of each year, as applicable. If, after receiving such estimate from the County Auditor-Controller, the Agency determines and reports, no later than December 1 or May 1, as applicable (i.e., by December 1, 2015 with respect to the Recognized Obligation Payment Schedule for January 1, 2016 through May 31, 2016), that the total amount available to the Agency from the RPTTF allocation to the Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Prior Agency, and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, for Agency enforceable obligations listed on the Recognized Obligation Payment Schedule, and for the Agency's administrative cost allowance, the County Auditor-Controller must notify the State Controller and the State Department of Finance no later than 10 days from the date of the Agency's notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions, as described in more detail under "SECURITY FOR THE BONDS – Tax Increment Financing" above.

At the option of a successor agency and beginning January 1, 2016, the Dissolution Act allows a successor agency to submit a "Last and Final ROPS" for approval by the oversight board. The following conditions must be met: (i) the remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements and contracts, (ii) all remaining obligations have been previously listed on a Recognized Obligation Payment Schedule and approved by the State Department of Finance, and (iii) the successor agency is not a party to outstanding or unresolved litigation. The State Department of Finance will have 100 days to review a Last and Final ROPS submitted for approval. The State Department of Finance may make changes to the Last and Final ROPS with the successor agency's agreement or issue a letter denying the Last and Final ROPS. If the State Department of Finance approves the Last and Final ROPS, it will establish the maximum amount of Redevelopment Property Tax Trust Fund to be distributed to the successor agency for each remaining fiscal year until the obligations have been fully paid. The successor agency can submit no more than two requests to amend an approved Last and Final ROPS. The oversight board must first approve each amendment request, and the State Department of Finance will then have 100 days to approve or deny the request. After the State Department of Finance approves Last and Final ROPS, the successor agency will no longer prepare or submit Recognized Obligation Payment Schedules, and the county auditor-controller will make distributions from the Redevelopment Property Tax Trust Fund to the successor agency pursuant to the Last and Final ROPS in a prescribed order of priority until the aggregate amount of property tax allocated to the successor agency equals the total outstanding obligation approved in the Last and Final ROPS.

Reserve Fund

To secure the payment of the principal of and interest on the Bonds, a Reserve Fund is established pursuant to the Indenture. The Agency is required to maintain the Reserve Fund in an amount equal to the Reserve Requirement. Reserve Requirement means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

[Notwithstanding any provision of the Indenture to the contrary, all or any portion of the Reserve Requirement for the Bonds may be satisfied by the provision of a policy of insurance, a surety bond, a letter of credit or other comparable credit facility (collectively referred to herein as a "Credit Facility"), or a combination thereof, which, together with moneys on deposit in the Reserve Fund, provide an aggregate

amount equal to the Reserve Requirement; provided that the provider of any such policy of insurance, surety bond, letter of credit or other comparable Credit Facility must be rated in one of the two highest rating categories by Moody's Investors Service or S&P, without regard to modifier, at the time of delivery of such credit facility.]

Additional Bonds

Under the Indenture, in addition to the Bonds, the Agency may issue or incur additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) secured by a pledge and lien on Tax Revenues on a parity with the Bonds in such principal amount as shall be determined by the Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Agency and Trustee.

Section 34177.5 of the Dissolution Act presently permits successor agencies to issue bonds or incurring other indebtedness secured by property tax revenues comprised of former tax increment and required to be deposited into the respective RPTTF for the applicable successor agency under limited circumstances:

(i) to provide savings to the successor agency;

(ii) for the purpose of financing debt service spikes, including balloon maturities; provided, (A) the existing indebtedness is not accelerated, except to the extent necessary to achieve substantially level debt service, and (B) the principal amount of the refunding bonds or the indebtedness will not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

(iii) for the purpose of amending an existing enforceable obligation under which the successor agency is obligated to reimburse a political subdivision of the state for the payment of debt service on a bond or other obligation of the political subdivision or to pay all or a portion of the debt service on the bond or other obligation of the political subdivision to provide savings to the successor agency, when such amendment is in connection with a refunding of the bonds or other obligations of the separate political subdivision so that the enforceable obligation will apply to the refunding obligations of the political subdivision; or

(iv) for the purpose of making payments under an existing enforceable obligation when the enforceable obligation includes the irrevocable pledge of property tax increment (i.e., formerly tax increment revenues prior to the effective date of the Dissolution Act) or other funds and the obligation to issue bonds secured by that pledge.

When bonds are issued pursuant to the situations contemplated in clauses (i) and (iii), the following two constraints apply to the size of the financing: (A) the total interest cost to maturity on the refunding bonds or indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or the indebtedness will not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds or indebtedness may be greater than the outstanding principal amount of the bonds or other indebtedness to be refunded. The successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, having the same lien priority as the pledge of the bonds or other obligations to be refunded. Section 34177.5 of the Dissolution Act also requires that the Oversight Board approve the issuance of any Additional Bonds (as defined below); that the Additional Bonds not provide for

any bullets or spikes or use variable rates; and that the Agency use an independent financial advisor in developing financial proposals for the issuance of any Additional Bonds.

Subject to the foregoing, the Agency may issue or incur Additional Bonds subject to the following additional specific conditions precedent:

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

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

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

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

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

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

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

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

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

(viii) The form of such Additional Bonds; and

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

(c) Such Additional Bonds may be issued only for the purpose of refunding bonds in accordance with the Redevelopment Law, including payment of all costs incidental to or connected with such refunding, provided that Annual Debt Service in each Bond Year, calculated for all Bonds

and Additional Bonds that will be Outstanding after the issuance of such Additional Bonds, shall be less than or equal to the Annual Debt Service in such Bond Year, calculated for all Bonds and Additional Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds.

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

**THE SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK**

On June 29, 2011, AB X1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB X1 27. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), challenging the constitutionality of AB X1 26 and AB X1 27. In its December 29, 2011 decision, the California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Prior Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

On February 6, 2012, pursuant to Resolution No. 2012-1 and Section 34173 of the Dissolution Act, the City Council of the City elected to serve as successor agency to the Prior Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Prior Agency will not be transferred to the City nor will the assets of the Prior Agency become assets of the City.

The Agency is governed by a five-member Board of Directors (the “Board”) which consists of the members of the City Council of the City of Huntington Park. The Mayor acts as the Chair of the Board, the City Manager as its Executive Director, the City Clerk as its Secretary and the Finance Director as the Treasurer of the Agency.

Members and Officers

The members and officers of the Agency and the expiration dates of their terms are as follows:

<u>Board Member</u>	<u>Expiration of Term</u>
Karina Macias, Chair	March 2017
Graciela Ortiz, Vice Chair	March 2019
Valentin P. Amezcuita, Board Member	March 2017
Jhonny Pineda, Board Member	March 2019
Marilyn Sanabria, Board Member	March 2019

Agency Powers

All powers of the Agency are vested in its members. Pursuant to the Dissolution Act, the Agency is a separate public body from the City and succeeds to the organizational status of the Prior Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Agency is tasked with expeditiously winding down the affairs of the Prior Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Agency actions are subject to approval by the Oversight Board, as well as review by the State

Department of Finance. California has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Agency and Oversight Board meetings open to the public in similar manner as City Council meetings.

Under a State initiative enacted in 1974, public officials are required to make extensive disclosures regarding their financial interests by filing such disclosures as public records. As of the date of this Official Statement, the members of the City Council and the Agency, and other City and Agency officials have made the required filings.

Previously, Section 33675 of the Redevelopment Law required the Prior Agency to file not later than the first day of October of each year with the County Auditor of a statement of indebtedness certified by the chief fiscal officer of the Prior Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plan). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Prior Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor to the Prior Agency could not exceed the amounts shown on the Prior Agency's statement of indebtedness. The Dissolution Act eliminates this requirement and provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and commencing from such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law (see "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule").

Audited Financial Statements

Before the enactment of the Dissolution Act, the Prior Agency retained independent auditors to prepare a report of the Prior Agency's audited financial statements for each fiscal year ended June 30, separate and apart from the report of City's audited financial statements.

The Dissolution Act provides that a post-audit of the financial transactions and records of the Agency must be made at least annually by a certified public accountant. For the reporting related to fiscal year 2013-14, the City decided to not have separate financial statements prepared for the Agency. Instead, the financial transactions for the Agency were reported as part of the City's audited financial statements (the "FY 2013-14 City Audit Financials"), which were prepared by the accounting firm of Vasquez & Company LLP (the "Auditors"). The FY 2013-14 City Audit Financials were incorporated in, and made a part of, the City's Annual Financial Report for Fiscal Year ended June 30, 2014, a copy which is attached as Appendix E to this Official Statement. The Agency has not requested nor obtained permission from the Auditors to include the FY 2013-14 City Audit Financials as part of Appendix E to this Official Statement. The Auditors have not performed any post-audit review of the financial condition or operations of the City or the Agency for the purposes of this Official Statement.

The inclusion of the Agency's financial transactions in the FY 2013-14 City Audit Financials is solely for convenience. As previously discussed in this Official Statement, the Dissolution expressly clarifies that the Agency is a separate legal entity from the City. The assets and the liabilities of the Prior Agency have been transferred to the Agency. The assets and liabilities of the Agency are not assets and liabilities of the City. As of the date of this Official Statement, the City plans to again include the financial transactions of the Successor Agency as part of the City's audited financial statements for fiscal year 2014-15.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Limitations on Remedies

The enforceability of the rights and remedies of the holders of the Bonds and the Trustee and the obligations incurred by the Agency, may be subject to the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise of the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its government bodies in the interest of serving a significant and legitimate public purpose.

Reduction in Taxable Value

Tax Revenues allocated to the RPTTF are determined by the amount of incremental taxable value in the Merged Project Area and the current rate or rates at which property in the Merged Project Area is taxed. The reduction of taxable values of property in the Merged Project Area caused by economic factors beyond the Agency's control, such as relocation out of the Merged Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Tax Revenues that provide for the repayment of and secure the Bonds. Such reduction of Tax Revenues could have an adverse effect on the Agency's ability to make timely payments of principal of and interest on the Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution," Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce Tax Revenues securing the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the RPTTF, described herein under the heading "RISK FACTORS," the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the RPTTF and available to the Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the source of repayment and security of the Bonds.

Limited Powers and Resources

The Agency was created pursuant to the Dissolution Act to wind down the affairs of the Prior Agency. The Agency's powers are limited to those granted under the Dissolution Act. The Agency does not have the power to levy property taxes nor does it have the power to participate in redevelopment activities, except as provided in the Dissolution Act. Many actions by the Agency are subject to the review or approval of the Oversight Board and the State Department of Finance, and, in some cases, the State Controller.

Prior to the Dissolution Act, former redevelopment agencies had the ability to retain funds on hand, accumulated from prior years that were available for use to cover short-term cash flow deficits. In the event of a delay in the receipt of tax increment in any given year, the former redevelopment agency had the option to use such accumulated funds to make payments on bonds when due. Under the Dissolution Act, the Agency, just like each successor agency formed under the Dissolution Act, is required to obtain prior approval from its Oversight Board, and the State Department of Finance, in order to pay an enforceable obligation from a source of funds that is different than the one identified on the ROPS. Except for the Tax Revenues, the Agency has no alternative resources available to make payments on enforceable obligations if there is a delay with respect to scheduled RPTTF disbursements or if the amount from RPTTF disbursements is not sufficient for the required payment of the enforceable obligations.

Risks to Real Estate Market

The Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Merged Project Area. The general economy of the Merged Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Merged Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a decline in the general economy of the Merged Project Area, the owners of property within the Merged Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Agency from the Merged Project Area.

Reduction in Inflationary Rate

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2 percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2 percent, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2 percent. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2 percent limitation several times but in Fiscal Year 2010-11 the inflationary value adjustment was negative for the first time at -0.237%. In Fiscal Year 2011-12, the inflationary value adjustment was 0.753%, which also is below the 2 percent limitation. [For Fiscal Year 2015-16, the inflationary value adjustment is 2.00%] [CONFIRM], which is the maximum permissible increase under Article XIII A. The Agency is unable to predict if any adjustments to the full cash value of real property within the Merged Project Area, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of the Merged Project Area will be subject to all the risks generally associated with real estate development. Projected development within the Merged Project Area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Merged Project Area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in the Merged Project Area is delayed or halted, the economy of the Merged Project Area could be affected. If such events lead to a decline in assessed values they could cause a reduction in Tax Revenues. In addition, if there is a decline in the general economy of the Merged Project Area, the owners of property within the Merged Project Area may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of the Tax Revenues received by the Agency from the Merged Project Area. In addition, the insolvency or bankruptcy of one or more large owners of property within the Merged Project Area could delay or impair the receipt of Tax Revenues.

Concentration of Ownership

The risk of reduction in assessed value as a result of factors described herein may generally increase where the assessed value within the Merged Project Area is concentrated among a relatively few number of property owners. Ownership of property in the Merged Project Area is moderately concentrated, with the ten largest property owners accounting for 14.63% of the Fiscal Year 2015-16 assessed valuation and 17.47% of the Merged Project Area incremental value. Significant reduction in the assessed values of these property owners could, by itself or in combination with other factors, have a material adverse effect on the Agency's ability to pay debt service on the Bonds as such payments become due and payable. See "THE MERGED PROJECT AREA – Largest Property Owners."

Levy and Collection of Taxes

The Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Agency to repay the Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Merged Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Agency's ability to make timely payments on the Bonds. Any reduction in Tax Revenues, whether for any of these reasons or any other reasons, could have an adverse effect on the Agency's ability to pay the principal of and interest on the Bonds.

State Budget Issues

AB X1 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively. The 2011-12 State budget included projected State savings estimated to aggregate \$1.7 billion in 2011-12 associated with AB X1 27, which would have allowed redevelopment agencies to continue in operation provided their establishing cities or counties agreed to make an aggregate \$1.7 billion in payments to K-12 schools. However, AB X1 27 was found in December 2011 by the California Supreme Court to violate the State Constitution, which altered this budgetary plan of the State. According to the State's Summary of the 2012-13 State budget, AB 1484 implements a framework to transfer cash assets previously held by

redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (projected savings of \$1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or Tax Revenues.

On June 19, 2015, the Governor signed into law the State budget for Fiscal Year 2015-16 (the “2015-16 State Budget”). The following information is drawn from the State Department of Finance’s summary (the “2015-16 Budget Summary”) of the 2015-16 State Budget. The 2015-16 State Budget is based on revenue projections previously included in the Governor’s May revision to the proposed budget for Fiscal Year 2015-16. For Fiscal Year 2014-15, the 2015-16 State Budget projects total State general fund revenues of \$111 billion, and total State general fund expenditures of \$114 billion. The 2015-16 State Budget projects that the State will end the 2014-15 Fiscal Year with a \$2.4 billion general fund surplus. For Fiscal Year 2015-16, the 2015-16 State Budget projects total state general fund revenues of \$115 billion and total State general fund expenditures of \$115, leaving the State with a projected general fund surplus for Fiscal Year 2015-16 of approximately \$2.09 billion.

The State’s budgets for fiscal years 2013-14 and 2014-15 did not include any additional legislation dealing with dissolution of redevelopment agencies. Although no trailer bills affecting or amending the Dissolution Act were passed at or around the time the 2015-16 State Budget was adopted, SB 107 was subsequently approved by both houses of the State Legislature on September 11, 2015 and signed by the Governor into law on September 22, 2015. SB 107 was styled and enacted as a bill related to the State’s 2015-16 State Budget.

There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or pledged Tax Revenues.

The full text of each State Assembly bill cited above may be obtained from the “Official California Legislative Information” website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: <http://www.leginfo.ca.gov/bilinfo.html>.

Information about the State budget and State spending is available at various State maintained websites. Text of the current State budget, and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst’s Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Recognized Obligation Payment Schedule

The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable

obligation. Tax Revenues will not be distributed from the RPTTF by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule" and "PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule." In the event the Agency were to fail to file a Recognized Obligation Payment Schedule with respect to a six-month period, the availability of Tax Revenues to the Agency could be adversely affected for such period.

In the event a successor agency fails to submit to the State Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the State Department of Finance may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the State Department of Finance to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the RPTTF in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the State Department of Finance.

Typically, under the RPTTF distribution provisions of the Dissolution Act, the County Auditor-Controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (as described above under "SECURITY FOR THE BONDS – Tax Increment Financing") and no later than each January 2 and June 1, to each local agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Pass-Through Agreements and Statutory Pass-Through Amounts; (ii) second, on each January 2 and June 1, to the Agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to the Agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any monies remaining in the RPTTF after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

If the Agency does not submit an Oversight-Board approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the State Department of Finance does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the RPTTF for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, the Agency has covenanted to take all actions required under the Dissolution Act to include scheduled debt service on the Bonds as well as any amount required under the Indenture to replenish the applicable Reserve Account of the Special Fund and the Debt Service Fund, in Recognized Obligation Payment Schedules for each six-month period and to enable the County Auditor-Controller to distribute from the RPTTF to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period, including listing a reserve on the Recognized Obligation Payment Schedule to the extent

required by the Indenture, or when the next property tax allocation is projected to be insufficient to pay all obligations due under the provisions of the Bonds for the next payment due in the following six-month period.

AB 1484 also adds new provisions to the Dissolution Act implementing certain penalties in the event the Agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Agency's administrative cost allowance is reduced by 25% if the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods. These provisions apply to the semi-annual Recognized Obligation Payment Schedule process in effect until annual Recognized Obligation Payment Schedules are required (which commence with the annual Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017).

Similarly, with respect to annual Recognized Obligation Payment Schedules required by amendments to the Dissolution Act made by SB 107, if the Agency does not submit an annual Recognized Obligation Payment Schedule by the February 1 deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Agency's administrative cost allowance is reduced by 25% if the Agency does not submit an annual Recognized Obligation Payment Schedule within 10 days after the February 1 deadline.

For a discussion of the Agency's history with respect to submittals of Recognized Obligation Payment Schedules, see "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule – Amounts Received for Prior ROPS Periods."

AB 1484 Penalty for Failure to Remit Unencumbered Funds

AB1484 further implements certain provisions of ABX1 26, including establishing a process for determining the liquid assets that redevelopment agencies should have shifted to their successor agencies when they were dissolved, and the amount that should be available for remittance by the successor agencies to their respective county auditor-controllers for distribution to affected taxing entities within the project areas of the former redevelopment agencies. This determination process is commonly known as the "due diligence review process" and was required to be completed through the final step (review by the State Department of Finance) by November 9, 2012 with respect to affordable housing funds and by April 1, 2013 with respect to non-housing funds. Within five business days of receiving notification from the State Department of Finance, the Agency must remit to the county auditor-controller the amount of unobligated balances determined by the State Department of Finance, or it may request a meet and confer with the State Department of Finance to resolve any disputes. If there is a meet and confer process, the Agency must remit the amount of unobligated balances within five working days of receiving a subsequent notification from the State Department of Finance of the amount of unobligated balances at the conclusion of that process.

If the Agency fails to remit the amounts determined by the State Department of Finance by the respective deadlines, certain penalties and remedies apply under AB 1484. Among such penalties and remedies, if the city that established the redevelopment agency is performing the duties of the successor agency, the State Department of Finance may order an offset to the city's sales and use tax revenues equal to the amount the successor agency fails to remit. If the State Department of Finance does not order an offset, the

county auditor-controller may reduce the property tax allocation of the city. Alternatively or in addition to the remedies discussed in the foregoing sentences, the State Department of Finance may direct the county auditor-controller to deduct the unpaid amount from future allocations of property tax to the successor agency under Section 34183 of the Dissolution Act until the amounts required to be remitted are paid.

Pertinent to the Bonds, if the Agency were to fail to remit to the County Auditor-Controller the amounts of unobligated balances determined by the State Department Finance within the time frames required under AB 1484, the State Department of Finance may direct the County Auditor-Controller to deduct the unpaid amount from future allocations of Pledged Tax Revenues to the Agency under Section 34183 of the Dissolution Act until the amounts required to be remitted are paid.

As to affordable housing funds, the Agency completed the due diligence review process. The State Department of Finance issued a letter to the Agency, dated _____, [concluding that the Agency had \$_____ in unencumbered affordable housing fund balances available for distribution to taxing entities]. As to non-housing funds, the Agency has also completed the due diligence review process. After meeting and conferring with the Agency, the State Department of Finance issued a letter to the Agency, dated _____, [concluding that the Agency had \$_____ in unencumbered non-housing fund balances available for distribution to taxing entities.]

On _____, the State Department of Finance issued to the Agency a “finding of completion,” which confirms that the Agency has, among other things, paid in full the amounts determined during the due diligence reviews and the County Auditor-Controller has reported those payments to the State Department of Finance. Accordingly, based on this finding of completion, neither the Agency nor the City are subject to any AB 1484 penalties for a failure to remit unencumbered funds pursuant to the due diligence review process.

Future Implementation of Dissolution Act

Numerous lawsuits have been filed pertaining to the State Department of Finance’s implementation of various provisions of the Dissolution Act. A lawsuit (the “Syncora Lawsuit”) was filed by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) on August 12, 2012, with the Superior Court of California in the County of Sacramento, *Case No. 34-2012-80001215*. Syncora is the municipal bond insurer for a number of bond insurance policies for outstanding bonds issued by former California redevelopment agencies. Syncora alleges that the Dissolution Act, and specifically the “Redistribution Provisions” (including California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleges that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation. The Syncora Lawsuit was brought as a petition for writ of mandate and complaint for declaratory relief, inverse condemnation, and injunctive relief. On May 29, 2013, the Court entered a ruling. The Court (1) denied Syncora any form of relief requested in the Complaint and Petition on its impairment of contracts claims, on the ground that those claims were premature, as no evidence was submitted by Syncora that any redevelopment agency bonds it insures are in default or that any redevelopment agency bonds are in default at all; and (2) held that Syncora’s takings claims are not necessarily premature, that an evidentiary hearing should be conducted to address such claims, and that the parties should file status reports with the Court addressing certain issues in connection with such evidentiary hearing. On August 16, 2013, the parties filed with the Court a proposed stipulated judgment which dismisses Syncora’s impairment of contract claims and takings claims without prejudice on grounds of prematurity. The stipulated judgment, as proposed by the parties, was entered on October 3, 2013.

The Agency cannot predict the outcome of any pending or future lawsuit with respect to the interpretation, the implementation or the validity of any provision of the Dissolution Act, including the provisions under which the Bonds are issued. The Agency believes that the federal and State Constitutions clauses regarding contract impairments and takings provide protection to the bondholders of the Bonds in the event of any lawsuit concerning provisions affecting the validity and payment on bonds issued under the Dissolution Act. However, the outcome of any such lawsuit is beyond the Agency's control.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

Estimated Revenues

In estimating that Tax Revenues will be sufficient to pay debt service on the Bonds, the Agency has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the Tax Revenues available to pay debt service on the Bonds will be less than those projected and such reduced Tax Revenues may be insufficient to provide for the payment of principal of and interest on the Bonds.

Assumptions and Projections

To estimate the Tax Revenues available to pay debt service on the Bonds, the Fiscal Consultant has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Agency believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates or the percentage of taxes collected are less than such assumptions, the Tax Revenues available to pay debt service on the Bonds may be less than those projected. No assurance can be made that the aggregate coverage projections with respect to the Bonds will be met.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur. Such forward-looking statements include, but are

not limited to, certain statements contained in the information in “INTRODUCTION,” “THE MERGED PROJECT AREA,” and “TAX REVENUES.”

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Merged Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Merged Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Merged Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Merged Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Numerous active and inactive fault lines pass through or near the City. The occurrence of severe seismic activity in the City could result in substantial damage to property located in the Merged Project Area, and could lead to successful appeals for reduction in assessed values of such property. Such a reduction could result in a decrease in Tax Revenues.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of Tax Revenues, which could have an adverse effect on the Agency’s ability to pay debt service on the Bonds.

Economic Risk

The Agency’s ability to make payment on the Bonds will be partially dependent upon the economic strength of the Merged Project Area. If there is a decline in the general economy of the Merged Project Area, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of Tax Revenues. Furthermore, general economic declines are likely to result in additional reductions of assessed values. In the event of decreased values, Tax Revenues may decline even if property owners make timely payment of property taxes.

Investment Risk

Funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See APPENDIX A attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Agency, into which a portion of the proceeds of the Bonds will be deposited and into which Tax Revenues are deposited, may be invested by the Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Agency cannot predict the effects on the receipt of Tax Revenues if the County were to suffer significant losses in its portfolio of investments or if the County or the City were to become insolvent or declare bankruptcy. See “APPENDIX E – COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED [JUNE 30, 2014]” regarding the City’s finances. See also “RISK FACTORS – Bankruptcy and Foreclosure.”

Additional Obligations

The potential for the issuance of Parity Debt could, in certain circumstances, increase the risks associated with the Agency’s payment of debt service on the Bonds in the event of a decrease in the Agency’s collection of Tax Revenues. However, Section 34177.5 of the Dissolution Act provides limited authority for successor agencies to issue bonds, and the Agency’s ability to issue Parity Debt is subject to the requirements of the Dissolution Act as in effect from time to time. For additional information, see described “SECURITY FOR THE BONDS – Parity Debt.”

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

No Validation Proceeding Undertaken

California Code of Civil Procedure Section 860 authorizes public agencies to institute a process, otherwise known as a “validation proceeding,” for purposes of determining the validity of a resolution or any action taken pursuant thereto. Section 860 authorizes a public agency to institute validation proceedings in cases where another statute authorizes its use. Relevant to the Bonds, California Government Code Section 53511 authorizes a local agency to “bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness.” Pursuant to Code of Civil Procedure Section 870, a final favorable judgment issued in a validation proceeding shall, notwithstanding any other provision of law, be forever binding and conclusive, as to all matters herein adjudicated or which could have been adjudicated, against all persons: “The judgment shall permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the judgment is binding and conclusive.”

The Agency has not undertaken or endeavored to undertake any validation proceeding in connection with the issuance of the Bonds. The Agency and Bond Counsel have relied on the provisions of AB 1484 authorizing the issuance of the Bonds and specifying the related deadline for any challenge to the Bonds to be brought. Specifically, Section 34177.5(e) of the Dissolution Act provides that notwithstanding any other law, an action to challenge the issuance of bonds (such as the Bonds), the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement authorized under Section

34177.5, must be brought within thirty (30) days after the date on which the oversight board approves the resolution of the successor agency approving the such financing. Such challenge period expired with respect to the Bonds and the Oversight Board Resolution on _____, 2015.

It is possible that a future lawsuit challenging the Dissolution Act or specific provisions thereof could be successful and that the mechanisms currently provided for under the Dissolution Act to provide for distribution of Tax Revenues to the Agency for payment on the Bonds could be impeded and result in a delinquency or default in the timely payment of principal of, and interest on, the Bonds.

The Indenture, however, additionally provides that if, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act (upon which the distribution of Tax Revenues to the Agency rely) are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution. Additionally, any action by a court to invalidate provisions of the Dissolution Act required for the timely payment of principal of, and interest on, the Bonds could be subject to claims of unconstitutional impairment of contracts and unconstitutional taking without just compensation. The Agency believes that the aforementioned considerations would provide some protections against the adverse consequences upon the Agency and the availability of Tax Revenues for the payment of debt service on the Bonds and any Parity Debt in the event of successful challenges to the Dissolution Act or portions thereof. However, the Agency does not guarantee that any lawsuit challenging the Dissolution Act or portions thereof will not result in an outcome that may have a detrimental effect on the Agency's ability to timely pay debt service on the Bonds.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, *ad valorem* taxes are collected by a county (the "Taxing Authority") for the benefit of the various entities (cities, schools and special districts) that share in the *ad valorem* tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective RPTTF.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. This statute provides increased revenue to the RPTTF to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Merged Project Area, Tax Revenues may increase.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the RPTTF. For Fiscal Year 2013-14, the County's administrative charge to the Agency attributable to the Merged Project Area was \$_____, and for Fiscal Year 2014-15, the County's administrative charge to the Agency for the Merged Project Area is estimated to be \$_____.

Negotiated Pass-Through Agreements. Prior to 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay increment revenues to any taxing agency that has territory located within a redevelopment project in an amount which in the agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provide for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements. The Agency agreements with affected taxing agencies are referred to herein as "Pass-Through Agreements." See "THE MERGED PROJECT AREA –Pass-Through Agreements." See also "SECURITY FOR THE BONDS – Tax Increment Financing" for additional discussion of the treatment of Pass-Through Agreements under the Dissolution Act.

Statutory Pass-Throughs. The payment of Statutory Pass-Through Amounts results from (i) plan amendments which add territory in existing project areas on or after January 1, 1994 and (ii) from plan amendments which eliminates one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due affected taxing entities is described in Sections 33607.5 and 33607.7 of the Redevelopment Law. See "THE

MERGED PROJECT AREA – Statutory Pass-Throughs” and “SECURITY FOR THE BONDS – Tax Increment Financing” for further information regarding the applicability of the statutory pass-through provisions of the Redevelopment Law and the Dissolution Act to the various sub-areas of the Merged Project Area.

Recognized Obligation Payment Schedule. The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Tax Revenues will not be distributed from the RPTTF by the County Auditor-Controller to the Agency’s Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable. See “SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule” and “RISK FACTORS – Recognized Obligation Payment Schedule.”

Unitary Property

Assembly Bill (“AB”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive that same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro-rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro-rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modifies chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

Article XIII A of the State Constitution

Article XIII A limits the amount of ad valorem taxes on real property to 1% of “full cash value” of such property, as determined by the county assessor. Article XIII A defines “full cash value” to mean “the County Assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value,’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” Furthermore, the “full cash value” of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide

that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchase” and “change of ownership,” for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature’s action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Appropriations Limitation – Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by an agency of proceeds of taxes levied by or on behalf of an agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Agency has not adopted an appropriations limit.

Articles XIII C and XIII D of the State Constitution

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIII C and XIII D to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See also “– Propositions 218 and 26” below.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Prior Agency or the Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner’s property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner’s property in any one year must submit an application to the County Assessment Appeals Board (the “Appeals Board”). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor’s Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as “ongoing hardship”), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the “base year” value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for “ongoing hardship” in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See “THE MERGED PROJECT AREA – Largest Property Owners” for information regarding the assessed valuations of the top ten property owners within the Merged Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. Tax Revenues securing the Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Agency revenues or the Agency’s ability to expend revenues.

THE MERGED PROJECT AREA

Under the Redevelopment Law, the City Council is required to adopt, by ordinance, a redevelopment plan for each redevelopment project (the “Redevelopment Plan”). Pursuant to the Redevelopment Law, the City Council originally established three separate redevelopment project areas. The Central Business District Redevelopment Project was adopted and approved on December 21, 1971 by Ordinance No. 66-NS of the City Council. The Huntington Park Industrial Redevelopment Project was created on May 25, 1977 with the adoption by the City of Ordinance No. 167-NS. On July 7, 1980, the City adopted and approved Ordinance No. 261-NS establishing the Huntington Park North Redevelopment Project.

On February 5, 1990 with the adoption of Ordinance No. 468-NS, the City Council took action to merge the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project for the purposes of allocating Tax Increment Revenues. Collectively, the three merged redevelopment projects are referred to herein as the “Merged Redevelopment Project.”

Land Use

The table below describes the land use by secured assessed value within the Merged Project Area for the current fiscal year.

<u>Land Use</u>	<u>Number of Parcels</u>	<u>FY 15-16 Secured Assessed Valuation</u>	<u>Percent of Secured Assessed Valuation</u>
Residential	1,357	\$352,057,508	30.78%
Commercial	244	348,354,062	30.45
Industrial	454	328,387,355	28.71
Institutional	25	76,955,153	6.73
Recreational	8	14,655,937	1.28
Government	37	13,956,054	1.22
Vacant	80	9,585,223	0.84
Miscellaneous	30	0	0.00
Total Parcels	2,235	\$1,143,951,292	100.00%

Source: Los Angeles County Assessor 2015-16 Secured Tax Roll.

Plan Limitations

The Redevelopment Plan imposes certain limitations on the amount of Tax Increment Revenues that the Agency may be allocated from the Merged Project Area. In addition, Assembly Bill 1290 (“AB 1290”) enacted by the State Legislature in 1994 provides that a redevelopment agency may not pay indebtedness or receive property taxes pursuant to Section 33670 of the Redevelopment Law after 10 years from the termination of the effectiveness of the Redevelopment Plan (which is now limited to 40 years after the adoption of the Redevelopment Plan).

The following chart provides limitations as imposed by the original redevelopment plans as amended by the Merged Redevelopment Project or as imposed by AB 1290:

	Central Business District	North	Industrial	Merged
Maximum Annual Tax Revenues ⁽¹⁾				\$1,500,000,000
Maximum Bonded Indebtedness ⁽²⁾				\$500,000,000
Adoption Date	12/21/1971	7/7/1980	5/25/1977	2/5/1990
Last Date to Incur Debt	1/1/2004	7/7/2000	1/1/2004	
Plan Expiration Date	12/21/2011	7/7/2020	5/25/2017	
Last Date to Collect Tax Revenues ⁽³⁾	12/21/2022	7/7/2013	5/25/2028	
Tax Revenues Received to Date ⁽⁴⁾ \$	\$	\$	\$	\$

(1) For redevelopment plans adopted prior to January 1, 1977, this limitation applies only to tax increment revenues allocated to the redevelopment project after 1986.

(2) Not required for redevelopment plans adopted prior to January 1, 1977.

(3) Limit required by AB 1290.

(4) As of _____.

SB 107 amended the Dissolution Act with new provisions stating that for the purposes of the payment of enforceable obligations defined by Section 34171(d)(1)(A) through (G) of the Dissolution Act (which include the Bonds), and for no other purpose whatsoever, the Agency is not subject to the limitations relating to time, number of tax dollars, or any other matters set forth in Sections 33333.2, 33333.4, and 33333.6 of the Redevelopment Law (including plan limits on the receipt of property taxes and the repayment of indebtedness, and on the maximum amount of tax dollars that may be allocated to the agency under the redevelopment plan, but excluding the limit on total bonded indebtedness). It is not known with certainty how the County Auditor-Controller and the State Department of Finance will actually implement this provision.

Pass-Through Agreement

The Agency has entered into the following tax sharing agreement with regards to tax revenues generated in the Merged Project Area.

On January 30, 1990, the Prior Agency, the City, the Consolidated Fire Protection District of the County of Los Angeles (the “District”) and the County entered into an Amended and Restated Agreement for Allocation of Tax Increment Funds (the “Merged Tax Sharing Agreement”) with respect to merging the Central Business District Redevelopment Project, the Industrial Redevelopment Project and the North Redevelopment Project. The Merged Tax sharing Agreement provides that there will be allocated to (a) the District, 15.5% of the tax increment revenues, (b) the County, 48.9% of the tax increment revenues and (c) the Agency, the balance. The Merged Tax Sharing Agreement provides that the County will lend the Agency that portion of the of the County’s share necessary to assist the Agency in paying certain existing bonded indebtedness (the “Merged County Deferral”). Pursuant to the Merged Tax Sharing Agreement, the County has subordinated its right to receive its allocated share of the tax increment revenues as well as repayment of the Merged County Deferral to the debt service on the Bonds. See “APPENDIX F – FISCAL CONSULTANT’S REPORT.”

Statutory Pass-Through

The Agency is obligated under Health & Safety Code Section 33607.5 and Section 33607.7 (the “AB 1290 Pass Through Formula”) to share tax increment revenues generated in the Neighborhood Preservation Project Area with any affected taxing entity that does not receive payments from a tax sharing agreement. Generally, the AB 1290 Pass Through Formula is as follows:

	<u>Pass Through</u> ⁽¹⁾
Tier A (Years 1-10)	25%
Tier B (Years 11-30)	21% + Tier A
Tier C (Years 31-40)	14% + Tiers A & B

⁽¹⁾ Percentage of taxing entity’s share of AB 1290 Pass Through Formula tax increment reduced by pro-rata share of Agency’s low and moderate housing set-aside. Although housing set-aside by successor agencies is no longer required, the Dissolution Act requires that pass through payments which previously deducted the housing set-aside in the calculation of such payments continue to be calculated in that manner.

Largest Property Owners

Set forth below are the ten largest property owners in the Merged Project Area based on the 2015-16 property tax roll.

	Property Owner	Primary Land Use⁽¹⁾	2015-16 Assessed Valuation	Percentage of Total
1.	E and L Properties LLC	Industrial	\$35,273,952	3.07%
2.	RHA Partners Limited ⁽¹⁾	Commercial	25,622,061	2.23
3.	Pacific Imedra Partners LLC ⁽¹⁾	Commercial	23,639,760	2.06
4.	Home Depot USA Inc.	Commercial	16,191,582	1.41
5.	Huntington Park 607 LP	Commercial	15,626,679	1.36
6.	6700 Alameda HPCA LLC	Industrial	11,631,764	1.01
7.	Seville Gardens LLC	Residential	11,158,100	0.97
8.	Cook Investment Co. Limited	Industrial	10,811,803	0.94
9.	Kids From The Valley X LLC	Recreational	9,505,410	0.83
10.	Wilmington Capital Fund LLC	Industrial	8,403,473	0.73
	TOTAL		\$167,864,584	14.63%
	Agency Total		\$1,147,242,298	
	Incremental Net Assessed Valuation Total		\$961,075,643	17.47%

⁽¹⁾ Pending appeals on parcels.]

⁽²⁾ Institutional land uses have been excluded due to property tax exemptions.

Source: Willdan Financial Services with information from the Los Angeles County 2014-15 Secured Property Tax Roll and the SBE Non Unitary Tax Roll.

Appeals

As previously discussed under “PROPERTY TAXATION IN CALIFORNIA – Appeals of Assessed Values,” property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

Between 2010 and 2014, there have been 184 assessment appeals filed on properties within the Merged Project Area. Of the 184 appeals filed, 148 appeals have been resolved, 65 (43.92%) of the resolved appeals have been allowed with a reduction in value and 83 (56.08%) of the resolved appeals have been denied or withdrawn. The 65 appeals allowed with a reduction in value had original values totaling \$126,335,287 and resulted in value losses of \$15,224,500 (12.05%). The projections for the Merged Project Area use historical averages to estimate losses due to pending appeals. Reductions in revenue for refunds that may result from this appeal, if successful, have not been estimated.

To estimate the average assessed value lost through assessment appeals the previous three years were used. The following table illustrates the appeals history from 2010 through 2014 (the most recent five calendar years of complete appeals history).

When the assessed value reduction is compared to the Agency’s total assessed value for each of those three years, the average assessed value reduction is equal to 2.8%. As such, the tax increment projections

described in section “TAX REVENUES” below and in “APPENDIX F – FISCAL CONSULTANT’S REPORT” reduce the incremental tax valuation by 2.8%.

The following tables set forth information regarding historical and pending appeals in the Merged Project Area. The Agency has no way of knowing the outcome of these pending appeals or their effect on the valuation in the Merged Project Area.

**Historical Assessment Appeals
For Appeals Reviewed Calendar Year 2010 through 2014**

<u>Appeals</u>	<u>Count</u>	<u>Roll Valuation Total</u>	<u>Board Value</u>	<u>Reduction Allowed</u>	<u>Value Decline</u>
Allowed	65	\$126,335,287	\$111,110,787	\$(15,224,500)	12.05%
Denied	83	100,423,468			
Pending	<u>36</u>	[_____]			
Total	184	[_____]	[_____]	[_____]	

Source: Willdan Financial Services with data obtained from the City of Huntington Park.

TAX REVENUES

Tax Revenues (as described in the section “SECURITY FOR THE BONDS” herein) are to be deposited in the Redevelopment Obligation Retirement Fund, and thereafter and after transfers have been made by the Agency to the Special Fund administered by the Trustee and applied to the payment of the principal of and interest on the Bonds

Schedule of Historical Tax Revenues

The following table represents the historical assessed valuation and incremental valuation within the Merged Project Area for the Fiscal Years 2011-12 through 2015-16.

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Secured					
Land	\$428,457,631	\$436,630,271	\$451,018,410	\$463,482,329	\$500,838,794
Improvements	567,227,110	580,215,137	596,469,941	615,513,558	640,154,521
Fixtures	1,278,809	2,146,057	1,973,955	1,993,859	1,602,758
Personal Property	1,752,377	1,562,878	1,514,726	1,638,502	1,355,219
Gross Total	998,715,927	1,020,554,343	1,050,977,032	1,082,628,248	1,143,951,292
Less Exemptions	<u>(85,799,812)</u>	<u>(87,831,056)</u>	<u>(87,992,949)</u>	<u>(58,101,413)</u>	<u>(89,514,708)</u>
Net Total Secured Valuation	912,916,115	932,723,287	963,054,083	1,024,526,835	1,054,436,584
Unsecured					
Land	-	-	-	-	-
Improvements	-	-	-	-	-
Fixtures	43,577,580	38,990,957	40,012,860	40,842,330	37,347,160
Personal Property	61,101,341	56,203,049	59,268,251	57,462,181	55,611,054
Gross Total	104,678,921	95,194,006	99,281,111	98,304,511	92,958,214
Less Exemptions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,500)</u>
Net Total Unsecured Valuation	104,678,921	95,194,006	99,281,111	98,304,511	92,805,714
Total Assessed Valuation	<u>\$1,017,595,036</u>	<u>\$1,027,917,293</u>	<u>\$1,062,335,194</u>	<u>\$1,122,831,346</u>	<u>\$1,147,242,298</u>
Base Year Valuation	186,166,655	186,166,655	186,166,655	186,166,655	186,166,655
Increment Value	<u>\$831,428,381</u>	<u>\$841,750,638</u>	<u>\$876,168,539</u>	<u>\$936,664,691</u>	<u>\$961,075,643</u>

Source: Willdan Financial Services with data obtained from Los Angeles County Assessor Combined Tax Rolls and the SBE Non-Unitary Tax Roll.

The City has levied a tax to fund its pension obligations and the Agency pledged such override revenues to the Bonds pursuant to the Indenture. Such override revenues are included in the historical incremental tax revenues in the above table as well as in the projections of Tax Revenues set forth in this Official Statement and the Financial Consultant’s Report attached hereto as Appendix F.

[The following table is a schedule of the taxable valuations and resulting Tax Revenues in the Merged Project Area for the Fiscal Years 2011-12 through 2015-16.]

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16⁽³⁾</u>
Gross Revenues ⁽¹⁾	8,314,284	8,265,425	11,218,505	11,315,734	11,602,524
Less: Prior Low and Moderate Housing Fund Deposits	(1,662,857)	--	--	--	--
Less: County Admin. Fees	(166,286)	(170,305)	(201,899)	(173,145)	(179,730)
Less: Pass-Through Payments ⁽²⁾	<u>(1,080,971)</u>	<u>(1,281,141)</u>	<u>(5,556,249)</u>	<u>(6,034,128)</u>	<u>(6,187,006)</u>
Tax Revenues ⁽¹⁾	\$5,454,170]	\$6,813,980	\$5,460,358	\$5,108,461	\$5,235,788

⁽¹⁾ Based on 1% of incremental valuation.

⁽²⁾ District pass-through are estimated utilizing 15.5% estimated weighted share.

⁽³⁾ Based on estimates for allocation period of January 2016 to June 2016.

Source: Willdan Financial Services with data obtained from Los Angeles County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll.

Based on the tax revenue projections, the Agency’s cap on maximum tax increment revenues that it can receive will not be reached before the final maturity date of the Bonds.

Projected Taxable Valuation and Tax Revenues

The Agency has retained Willdan Financial Services of Temecula, California to provide projections of taxable valuation and Tax Revenues from the Merged Project Area. The Agency believes the assumptions (set forth in the footnotes below and “APPENDIX F – FISCAL CONSULTANT’S REPORT”) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur (see “RISK FACTORS”). Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

A summary of the projected taxable valuation and Tax Revenues with a projected 2.0% annual valuation growth (less an estimated assessment appeal reduction rate of 2.8%) is as follows:

Fiscal Year	County				
	Assessed Valuation⁽¹⁾	Gross Tax Increment⁽²⁾	Administrative Fees	Pass Through Payments	Net Tax Revenues
2015-16		8,777,699	104,192	1,345,818	7,327,689
2016-17		8,958,472	106,362	1,373,838	7,478,272
2017-18		9,172,975	108,936	1,407,086	7,656,953
2018-19		9,391,767	111,561	1,440,999	7,893,207
2019-20		9,614,936	114,239	1,475,590	8,025,107
2020-21		9,842,568	116,971	1,510,873	8,214,724
2021-22		10,074,753	119,757	1,546,862	8,408,134
2022-23		10,311,581	122,599	1,583,570	8,605,412
2023-24		10,553,146	125,498	1,621,013	8,806,636

⁽¹⁾ Based on actual Fiscal Year 2015-16 assessed valuation, with assumed 2.0% (less an estimated assessment appeal reduction rate of 2.8%) annual valuation growth thereafter. See “RISK FACTORS – Concentration of Ownership” and “THE MERGED PROJECT AREA – Largest Property Owners.”

⁽²⁾ Based on 1.00% tax rate applied to incremental valuation.

Source: Willdan Financial Services.

Debt Service Coverage

Set forth below is the estimated debt service coverage of the Bonds using Fiscal Year 2015-16 Tax Revenues without additional growth through maturity.

Bond Year Ending September 1	No Growth Tax Revenues Available for Debt Service	Annual Debt Service on the Bonds	Debt Service Coverage on the Bonds
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

Source: The Fiscal Consultant and the Underwriter.

Set forth below is the estimated debt service coverage of the Bonds using Fiscal Year 2014-15 Tax Revenues and a 1.3% annual growth scenario thereafter through maturity.

Bond Year Ending September 1	Tax Revenues Available for Debt Service	Annual Debt Service on the Bonds	Debt Service Coverage on the Bonds
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

Source: The Fiscal Consultant and the Underwriter.

TAX MATTERS

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquire their Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds are sold to the public) and who will hold their Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion is set forth in APPENDIX F – “FORM OF OPINION OF BOND COUNSEL.”

Stated interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. Federal income tax purposes.

The Bonds are expected to be issued with original issue discount (“OID”). In general, the excess of the stated redemption price at maturity of a Bond over its issue price will constitute OID for U.S. federal income tax purposes. The stated redemption price at maturity of a Bond is the sum of all scheduled amounts

payable on the Bond (other than qualified stated interest). U.S. Holders of the Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

The Bonds are not expected to be treated as issued with OID for U.S. federal income tax purposes because the stated redemption price at maturity of the Bonds is not expected to exceed their issue price, or because any such excess is expected to only be a *de minimis* amount (as determined for tax purposes).

Disposition of the Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Agency) or other disposition of a Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the Bond decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a noncorporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Tax on Net Investment Income. Certain non-corporate U.S. Holders of Bonds will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's calculation of net investment income generally will include its interest income on the Bonds and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Bonds.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” payments of principal of, and interest on, any Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Agency through stock ownership and (2) a bank which acquires such Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. withholding tax provided that the beneficial owner of the Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Agency) or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Agency) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that at the time of such individual’s death, payments of interest with respect to such Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “FATCA,” under current U.S. Treasury Regulations, payment of principal and interest on any Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Bond or a financial institution holding the Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. If a financial institution, other than a financial institution that is a qualified intermediary, provides the certification, the certification must state that the financial institution has received from the beneficial owner the certification set forth in the preceding sentence, set forth the information contained in such certification, and include a copy of such certification, and an authorized representative of the financial institution must sign the certificate under penalties of perjury. A financial institution generally will not be required to furnish to the IRS the names of the beneficial owners of the Bonds that are not United States persons and copies of such owners’ certifications where the financial institution is a qualified intermediary that has entered into a withholding agreement with the IRS pursuant to applicable U.S. Treasury Regulations.

In the case of payments to a foreign partnership, foreign simple trust or foreign grantor trust, other than payments to a foreign partnership, foreign simple trust or foreign grantor trust that qualifies as a withholding foreign partnership or a withholding foreign trust within the meaning of applicable U.S. Treasury Regulations and payments to a foreign partnership, foreign simple trust or foreign grantor trust that are effectively connected with the conduct of a trade or business within the United States, the partners of the foreign partnership, the beneficiaries of the foreign simple trust or the persons treated as the owners of the

foreign grantor trust, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from withholding and backup withholding tax requirements. The current backup withholding tax rate is 28%.

In addition, if the foreign office of a foreign “broker,” as defined in applicable U.S. Treasury regulations pays the proceeds of the sale of a Bond to the seller of the Bond, backup withholding and information reporting requirements will not apply to such payments provided that such broker derives less than 50% of its gross income for certain specified periods from the conduct of a trade or business within the United States, is not a controlled foreign corporation, as such term is defined in the Code, and is not a foreign partnership (1) one or more of the partners of which, at any time during its tax year, are U.S. persons (as defined in U.S. Treasury Regulations Section 1.1441-1(c)(2)) or (2) which, at any time during its tax year, is engaged in the conduct of a trade or business within the United States. Moreover, the payment by a foreign office of other brokers of the proceeds of the sale of a Bond will not be subject to backup withholding unless the payer has actual knowledge that the payee is a U.S. person. Principal and interest so paid by the U.S. office of a custodian, nominee or agent, or the payment by the U.S. Office of a broker of the proceeds of a sale of a Bond, is subject to backup withholding requirements unless the beneficial owner provides the nominee, custodian, agent or broker with an appropriate certification as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

FATCA. Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of U.S. source interest (including OID) and sales proceeds of debt obligations held by or through a foreign entity. Withholding under FATCA generally will apply to (i) payments of U.S. source interest (including OID) made after June 30, 2014, (ii) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain foreign “pass-thru” payments no earlier than January 1, 2017, but exempt from withholding any payments made on and proceeds realized from the disposition of obligations that are outstanding on July 1, 2014 and are not substantially modified after that date, which exemption should exclude the Bonds from the withholding provisions of FATCA. Prospective investors should nonetheless consult their own tax advisors regarding FATCA and its effect on them.

CONCLUDING INFORMATION

Underwriting

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has agreed, subject to certain customary conditions precedent to closing, to purchase the Bonds from the Agency at a price equal to \$_____ (which equals the par amount of the Bonds, less an underwriting discount of \$_____ and [plus/less] a net original issue [premium/discount] of \$_____).

The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, plus accrued interest from the dated date of the Bonds to their date of delivery, which prices may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers

Verification of Mathematical Accuracy

[] (the “Verification Agent”), an independent accountant, upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Agency, relating to the sufficiency of monies deposited into the Escrow Fund created under the Escrow Agreement, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements with respect to the 1994 Bonds.

The report of the Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

Legal Opinions

The opinions of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, approving the validity of the Bonds and stating that the interest on the Bonds is exempt from personal income taxes of the State of California, under present State income tax laws, will be furnished to the purchaser at the time of delivery of the Bonds at the expense of the Agency. Compensation for Bond Counsel’s services is entirely contingent upon the sale and delivery of the Bonds.

A copy of the proposed forms of Bond Counsel’s final approving opinions with respect to the Bonds are attached hereto as APPENDIX B.

The legal opinions are only as to legality and are not intended to be nor are they to be interpreted or relied upon as a disclosure document or an express or implied recommendation as to the investment quality of the Bonds.

In addition, certain legal matters also will be passed upon for the Agency by Olivarez Madruga, P.C., as Agency Counsel.

Litigation

[There is no action, suit or proceeding known to the Agency to be pending and notice of which has been served upon and received by the Agency, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Agency taken with respect to any of the foregoing.] [CONFIRM]

Rating

Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services, LLC Company (“S&P”) has assigned its underlying municipal bond rating of “_____” to the Bonds. Such rating reflects the view of S&P as to the credit quality of the Bonds. The rating reflects only the view of S&P, and explanation of the significance of the rating may be obtained from Standard & Poor’s Ratings Group, 55 Water Street, New York, New York 10041 (212) 438-2124. There is no assurance that the rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P s, if in the judgment of

S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Continuing Disclosure

Pursuant to a Continuing Disclosure Agreement, dated as of _____ 1, 2016 (the “Continuing Disclosure Agreement”), by and between the Agency and U.S. Bank National Association, as dissemination agent, the Agency has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Agency no later than nine months following the end of the Agency’s fiscal year (the “Annual Report”), commencing with the report for Fiscal Year 2014-15, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the Agency or its dissemination agent with the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Marketplace Access (“EMMA”) website. The specific nature of the information to be contained in the Annual Report and the notice of material events is set forth in “APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT” herein. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 (the “Rule”) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

[DESCRIBE PRIOR FAILINGS, IF ANY]

Miscellaneous

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plan for the Merged Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Interim Executive Director has been duly authorized by the Agency.

SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF
HUNTINGTON PARK

By: _____
Interim Executive Director

APPENDIX A
SUMMARY OF THE INDENTURE

APPENDIX B

FORM OF BOND COUNSEL OPINION

Upon issuance of the Bonds, Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

Date of Delivery

[TO COME]

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Agency takes no responsibility for the completeness or accuracy thereof. The Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial

Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
FISCAL YEAR ENDED [JUNE 30, 2014]**

APPENDIX F
FISCAL CONSULTANT'S REPORT

APPENDIX G

SUPPLEMENTAL INFORMATION – THE CITY OF HUNTINGTON PARK

The following information concerning the City of Huntington Park (the “City”) and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the State or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable therefor.

General

The City of Huntington Park (the “City”), is located 5 miles south of downtown Los Angeles. The City’s three square miles are characterized by a downtown retail area and dense residential development, encircled by large-scale industrial development in nearby cities. The City is bordered on the south by the City of South Gate, on the east by the City of Bell, by the cities of Vernon and Maywood to the north, and on the west by unincorporated Los Angeles County.

The City is a general law city and was incorporated on September 1, 1906. The City has a Council/City Manager form of government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected bi-annually at large to four-year terms. The City employs a staff of ___ full-time employees and ___ part-time employees under the direction of the City Manager.

The City provides water service, refuse collection, street maintenance, parks and recreation and building inspection. Law enforcement services are also provided by the City. Currently, the Huntington Park Police Department employs ___ sworn officers and operates ___ patrol vehicles. Fire protection and emergency services are provided through an agreement with the County of Los Angeles, which stations ___ full time firefighters in the City. In addition, there are mutual aid agreements in effect with nearby fire units which make additional firefighters available.

Population

The City has a population of approximately 59,312 (January, 2015, State Department of Finance).

CITY, COUNTY, STATE POPULATION DATA

<u>Year</u> <u>January 1</u>	<u>City of</u> <u>Huntington Park</u>	<u>Los Angeles</u> <u>County</u>	<u>State of</u> <u>California</u>
2005	64,466	9,816,153	35,869,173
2006	64,362	9,798,609	36,116,202
2007	64,285	9,780,808	36,399,676
2008	64,270	9,785,474	36,704,375
2009	64,376	9,801,096	36,966,713
2010	64,219	9,818,605	37,223,900
2011	58,329	9,860,836	37,510,766
2012	58,624	9,889,520	37,688,804
2013	59,062	9,958,091	37,996,471
2014	59,033	10,054,852	38,357,121
2015	59,312	10,136,559	38,714,725

Source: State of California Department of Finance.

Assessed Valuation and Tax Collection

Taxes are levied for each Fiscal Year on taxable real and personal property which is situated in each City as of the preceding January 1. For assessment and collection purposes, property is classified either as secured or unsecured and is listed accordingly on separate parts of the assessment roll. The Secured rolls is that part of the assessment roll containing State-assessed public utilities property and property the taxes on which are a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the unsecured roll.

Property Taxes on the secured roll are due in two installments, on November 1 and February 1 of the Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10 respectively, and a 10% penalty attaches to any delinquent payment. Property becomes tax-defaulted if property taxes are not fully paid by July 1 of the Fiscal Year and such property becomes subject to sale by the County Tax Collector if it remains tax-defaulted for five years. Tax-defaulted property may be redeemed by payment of delinquent taxes, the 10% delinquency penalty, and a redemption penalty of 1.5% per month.

Property taxes on the unsecured roll are due as August of the Fiscal Year and become delinquent, if unpaid, on August 31, of the Fiscal Year. A 10% penalty attaches to the delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 30 of the Fiscal Year. The taxing authority has four ways of collecting unsecured personal property taxes: (a) a civil action against the taxpayer; (b) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (c) filing a certificate of delinquency for record in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (d) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

A five-year history of the City's assessed valuation is as follows:

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2011-12				
2012-13				
2013-14				
2014-15				
2015-16				

Source: California Municipal Statistics, Inc.

Largest Local Secured Taxpayers

Set forth below are the ten largest local secured taxpayers in the City based on the 2012-13 secured property tax roll. These taxpayers represent approximately 5.52% of the total secured valuation in the City. [PLEASE PROVIDE UPDATE]

	<u>Property Owner</u>	<u>2012-13 Assessed Valuation</u>	<u>% of Total</u>
1.	Crown Poly Inc.	\$29,435,853	1.25%
2.	RHA Partners Limited	20,370,072	0.86
3.	Pacific Imedra Partners LLC	19,191,428	0.81
4.	MP Investors LLC	16,522,833	0.70
5.	Home Depot USA Inc.	16,172,462	0.698
6.	Nicholas B. Alexander Trust	11,804,440	0.50
7.	Primestor Las Palmas LLC	11,662,172	0.50
8.	Joseph M and Leona Fallas Trust	11,523,467	0.49
9.	Rita Partners	11,423,829	0.48
10.	6700 Alameda HPCA LLC	<u>11,124,041</u>	<u>0.47</u>
	TOTAL	\$159,230,597	5.52%

Source: HdL, Coren and Cone.

Taxable Transactions

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions is presented in the following table.

	Taxable Transactions (In thousands)				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014⁽¹⁾</u>
Retail Stores					
Motor Vehicle and Parts Dealers	\$ - ⁽²⁾	\$ 83,912	\$ 85,992	\$ 85,802	\$40,414
Home Furnishings/Appliance Stores	25,589	24,356	22,436	21,075	12,174
Bldg. Matrl./Garden Equip. & Supplies	- ⁽²⁾	- ⁽²⁾	- ⁽²⁾	- ⁽²⁾	- ⁽²⁾
Food and Beverage Stores	26,637	27,729	28,378	29,666	15,931
Gasoline Stations	30,749	38,930	40,761	37,679	20,383
Clothing/Clothing Accessories Stores	41,529	38,329	36,814	41,797	21,742
General Merchandise Stores	37,320	40,659	38,662	39,451	17,982
Food Services and Drinking Places	63,803	65,850	68,004	74,656	40,006
Other Retail Group	<u>165,486⁽²⁾</u>	<u>84,688⁽²⁾</u>	<u>97,451⁽²⁾</u>	<u>29,624</u>	<u>14,742</u>
All Other Outlets	<u>\$ 83,945</u>	<u>\$ 89,997</u>	<u>\$ 96,718</u>	<u>\$103,840</u>	<u>\$ 55,487</u>
TOTAL	<u>\$475,060</u>	<u>\$494,450</u>	<u>\$515,217</u>	<u>\$536,765</u>	<u>\$277,626</u>

⁽¹⁾ Through second quarter of 2014.

⁽²⁾ Sales omitted because their publication would result in the disclosure of confidential information. Included with "Other Retail Group" when possible.

Source: California State Board of Equalization.

Building Activity

The following provides a summary of residential and non-residential building permit valuation and the number of new dwelling units authorized in the City from 2010 through 2014.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential	\$ 2,330,800	\$1,661,896	\$ 887,000	\$2,475,445	\$ 446,000
Non-Residential	<u>7,898,600</u>	<u>5,978,414</u>	<u>916,000</u>	<u>3,067,017</u>	<u>5,477,260</u>
Total	<u>\$10,229,400</u>	<u>\$7,640,310</u>	<u>\$1,803,000</u>	<u>\$5,542,462</u>	\$5,923,260
Units					
Single Family	0	2	1	1	2
Multiple Family	0	0	0	0	0
Total	0	2	1	1	2

Source: Construction Industry Research Board for 2009-2010 data; California Homebuilding Foundation CHF|CIRB for 2010-2014 data.

Employment and Industry

According to the California Employment Development Department, in September 2015 there were an estimated 27,300 members of the civilian labor force in the City and an estimated unemployment rate of 8.1%. Major private employers in the community include _____.

The following table provides a historical view of employment by industry within Los Angeles County for the period from 2010 through 2014.

CITY AND COUNTY LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATES Yearly Average for Years 2010 to 2014

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Los Angeles County					
Unemployment Rate	12.6%	12.3%	10.9%	9.9%	8.3%
Employment	4,298,500	4,326,100	4,326,100	4,495,700	4,610,800
Unemployment	617,900	603,400	535,800	486,600	415,100
Civilian Labor Force	4,916,300	4,929,500	4,914,500	4,982,300	5,025,900
City of Huntington Park					
Unemployment Rate	16.1%	15.8%	14.1%	12.7%	10.8
Employment	23,000	23,100	23,400	24,000	24,600
Unemployment	4,400	4,300	3,900	3,500	3,000
Civilian Labor Force	27,400	27,400	27,200	27,500	27,60

Source: State of California Employment Development Department.

The following table sets forth the annual average employment by industry within the County for the fiscal years 2010 through 2014.

LOS ANGELES COUNTY
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
(In Thousands)
2010 through 2014

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Farm	6,200	5,600	5,400	5,500	5,300
Non-Farm					
Mining and Logging	4,100	4,000	4,300	4,600	4,700
Construction	104,500	105,000	109,100	116,500	120,200
Manufacturing	373,200	366,800	367,200	366,500	364,900
Trade Transportation & Utilities	739,900	749,900	766,600	780,700	800,700
Information	191,500	191,900	191,400	197,300	195,900
Financial Activities	209,500	208,400	210,700	211,800	209,700
Professional & Business Services	527,500	542,900	570,000	590,300	609,400
Educational & Health Services	637,200	643,100	674,100	713,400	748,000
Leisure & Hospitality	384,800	394,600	415,300	436,700	464,600
Other Services	136,700	136,900	141,600	145,500	151,700
Government	<u>579,600</u>	<u>565,500</u>	<u>556,800</u>	<u>549,200</u>	<u>556,700</u>
Total All Industries	<u>3,894,700</u>	<u>3,914,600</u>	<u>4,012,500</u>	<u>4,118,000</u>	<u>4,231,700</u>

⁽¹⁾ Services is a broad category that may incorporate employment in other listed categories.
Totals may not add up due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest employers in the City as of June 30, 2015.

<u>Name of Company</u>	<u>Employees</u>	<u>Percent of Total Employment</u>
------------------------	------------------	------------------------------------

TOTAL

⁽¹⁾ Includes contract employees. Estimated City Employment provided by Community Development Director.
Source: _____.

RESOLUTION NO. OSB 2016-01

**A RESOLUTION OF THE CITY OF HUNTINGTON PARK
OVERSIGHT BOARD AUTHORIZING THE SUCCESSOR
AGENCY TO REFUND CERTAIN OUTSTANDING TAX
ALLOCATION OBLIGATIONS PURSUANT TO
ASSEMBLY BILLS X1 26 AND 1484**

WHEREAS, the Community Development Commission of the City of Huntington Park (the “Former CDC”) previously was a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council (the “City Council”) of the City of Huntington Park (the “City”); and

WHEREAS, Assembly Bill No. x1 26 chaptered and effective on June 28, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill No. 1484 chaptered and effective on June 27, 2012, and subsequent legislation (together, “Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Former CDC was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Successor Agency”) administers the enforceable obligations of the Former CDC and otherwise unwinds the Former CDC’s affairs as confirmed by Resolution No. 2012-1 adopted by the City on February 6, 2012; and

WHEREAS, the Successor Agency’s affairs are subject to the review and approval by a seven-member oversight board pursuant to Section 34179 (the “Oversight Board”), which was formed and had its initial meeting on May 3, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

WHEREAS, among other provisions of Assembly Bill No. 1484, Section 34177.5 of the Dissolution Law provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, the Oversight Board is informed that by the adoption of Ordinance No. 66-NS on December 20, 1971, the City duly established its Central Business District Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, the Oversight Board is informed that by the adoption of Ordinance No. 167-NS on May 25, 1977, the City duly established its Industrial Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, the Oversight Board is informed that by the adoption of Ordinance No. 261-NS on July 7, 1980, the City duly established its North Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, the Oversight Board is informed that by the adoption of Ordinance No. 372-NS on December 3, 1984, the City duly established its Santa Fe Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, the Oversight Board is informed that by the adoption of Ordinance No. 468-NS on February 5, 1990, the Former CDC merged its Central Business District Redevelopment Project, Industrial Redevelopment Project and North Redevelopment Project (as merged, the “Merged Redevelopment Project”) for the purposes of allocating tax increment revenues, such that tax increment revenues allocated to the Former CDC attributable to each of the redevelopment projects so merged may be allocated to the Merged Redevelopment Project for the purpose of paying certain existing indebtedness or to refinance such indebtedness; and

WHEREAS, the Oversight Board is informed by the Successor Agency that in 1994 the Former CDC issued its Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 CDC Bonds”) attributable to the Merged Redevelopment Project, pursuant to a Fiscal Agent Agreement, dated as of May 1, 1994 (the “Fiscal Agent Agreement”), between the Former CDC and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as fiscal agent (the “Fiscal Agent”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that immediately upon their issuance, the 1994 CDC Bonds were sold to, in connection with the issuance by, the Huntington Park Public Financing Authority (the “HPPFA”) of its \$19,490,000 Huntington Park Public Financing Authority Local Agency Parity Revenue Bonds, 1994 Series A (the “1994 Series A Bonds”), its \$18,570,000 Huntington Park Public Financing Authority Taxable Local Agency Revenue Bonds, 1994 Series B (the “1994 Series B Bonds”), and its \$34,420,000 Huntington Park Public Financing Authority Local Agency Subordinated Revenue Bonds 1994 Series C (the “1994 Series C Bonds,” and together with the 1994 Series A Bonds and the 1994 Series B Bonds, the “1994 Bonds”), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the 1994 Bonds were issued under an Indenture of Trust, dated as of May 1, 1994 (the “1994 Indenture”), between the HPPFA and State Street Bank and Trust Company of California, N.A. (later succeeded by U.S. Bank National Association), as trustee (the “1994 Authority Trustee”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that in 2004 the HPPFA issued its \$55,875,000 Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “2004 Bonds”) for the purpose of refunding and defeasing all of the

outstanding 1994 Bonds (but for certain then outstanding 1994 Series C Zero Coupon Bonds which would remain outstanding until their respective maturity dates, which dates have passed), payable from principal of and interest payments on the 1994 CDC Bonds; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the 2004 Bonds were issued under an Indenture of Trust, dated as of June 1, 2004 (the “2004 Indenture”), between the HPPFA and U.S. Bank National Association, as trustee (the “2004 Authority Trustee”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that, in connection with the issuance of the 2004 Bonds, the 1994 CDC Bonds were transferred by the 1994 Authority Trustee, together with all possession of and right, title and interest therein, to the 2004 Authority Trustee to provide for payment of obligations with respect to the 2004 Bonds as provided in the Instruction Agreement, dated June 17, 2004 (the “2004 Instruction Agreement”) among the HPPFA, the Former CDC, the 1994 Authority Trustee and Fiscal Agent; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the 2004 Bonds are further supported by payments under the Assistance Agreement, dated as of June 1, 2004 (the “2004 Assistance Agreement”) between the Former CDC and the City; and

WHEREAS, the Oversight Board is informed by the Successor Agency that, as provided in the Fiscal Agent Agreement and the 2004 Assistance Agreement, current costs of the 1994 CDC Bonds include a transferred proceeds penalty due to the Internal Revenue Service in an amount up to \$3.4 million (the “IRS Liability”), which amount will be due and payable at, and not later than 60 days following, the refunding of the 2004 Bonds, and constitutes an enforceable obligation of the Successor Agency which amount may be paid (i) as costs of the refunding or (ii) from a portion of the redemption price of the 1994 CDC Bonds advanced to the HPPFA in accordance with the Fiscal Agent Agreement; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the 1994 CDC Bonds are subject to optional redemption on any date at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the 2004 Bonds are subject to optional redemption on any date on or after September 1, 2015 through August 31, 2016 at a redemption price equal to 101% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the refunding and payment of the redemption price of the 1994 CDC Bonds will generate a redemption price in excess of the redemption price of the 2004 Bonds, which excess may be waived and deemed payment in satisfaction between the Former CDC and the HPPFA; provided that the Successor Agency’s recovery of its costs related to the Refunding Bonds shall be and remain a primary objective and condition of the action under this Resolution; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Successor Agency desires to undertake the refunding of its obligations under its 1994 CDC

Bonds and 2004 Assistance Agreement (together, the “Prior Obligations”) and, by extension, effect a refunding of the 2004 Bonds, and the IRS Liability; and

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

WHEREAS, the Oversight Board is informed by the Successor Agency that, in the alternative, the IRS Liability may be determined to be a debt service spike;

WHEREAS, Section 34177.5(a)(2) of the Dissolution Law authorizes successor agencies to refund outstanding bonds or other indebtedness to finance debt service spikes, including balloon maturities, provided that (i) the existing indebtedness is not accelerated, except to the extent necessary to achieve substantially level debt service, and (ii) the principal amount of the bonds or other indebtedness shall not exceed the amount required to finance the debt service spikes, including establishing customary debt service reserves and paying related costs of issuance; and

WHEREAS, by its action and direction on or about August 13, 2014, the Oversight Board, pursuant to Section 34177.5(f) of the Dissolution Law, has previously directed the Successor Agency to issue bonds to refund outstanding obligations of the Former CDC to refund all or a portion of the Prior Obligations and the IRS Liability; and

WHEREAS, the Oversight Board is informed by the Successor Agency that there are potential debt service savings that can be achieved through a refinancing of the Prior Obligations and the IRS Liability and the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2016 (Federally Taxable) and with such other name and series designation as shall be deemed appropriate (the “Refunding Bonds”), for the purpose of (i) refunding all or a portion of the Prior Obligations, (ii) refunding or applying a portion of the redemption price of the 1994 CDC Bonds to refund the IRS Liability, (iii) paying the costs of issuing the Refunding Bonds including reasonable Successor Agency staff costs; (iv) funding a reserve account for the Refunding Bonds and (v) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Refunding Bonds in lieu of funding all or a portion of such reserve account with bond proceeds; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Refunding Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”) between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Successor Agency has determined that remaining proceeds, if any, of the 1994 CDC Bonds and

the 2004 Bonds (the “Prior Proceeds”) that are not intended to be spent by the Successor Agency in a manner consistent with the respective bond covenants applicable to the Prior Obligations and the Dissolution Law, shall be used to defease and/or refund the Prior Obligations and the IRS Liability and/or to fund a debt service reserve account for the related Refunding Bonds; and

WHEREAS, the Oversight Board is informed by the Successor Agency that, in connection with the purpose stated above, the Successor Agency desires that the Successor Agency and the Fiscal Agent, and 2004 Authority Trustee, enter into an escrow agreement or instructions with respect to the Prior Obligations and the IRS Liability (the “Escrow Instructions”), pursuant to which the Successor Agency will deposit money and/or investment securities sufficient to prepay or redeem, as applicable, and refund all or a portion of the Prior Obligations and the IRS Liability in accordance with the terms thereof (resulting in the refunding of the 2004 Bonds); and

WHEREAS, the Oversight Board is informed by the Successor Agency that a copy of a form of Official Statement (the “Official Statement”) describing the Refunding Bonds, the Successor Agency, its Merged Redevelopment Project, and such other project areas as may be relevant, and certain other information deemed material to an informed investment decision respecting the Refunding Bonds, in preliminary form has been prepared, a final form of which will be executed by the Successor Agency in connection with the issuance, sale and delivery of the Refunding Bonds; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has submitted to the Successor Agency a proposed form of an agreement to purchase each series of the Refunding Bonds (the “Bond Purchase Agreement”) between the Underwriter and the Successor Agency; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 requires that, in order to be able to purchase or sell the Refunding Bonds, the underwriters thereof must have reasonably determined that the Successor Agency, as an obligated person, has undertaken in a written agreement or contract for the benefit of the holders of the Refunding Bonds to provide disclosure of certain financial information and operating data and certain enumerated events on an ongoing basis; and

WHEREAS, the Oversight Board is informed by the Successor Agency that, in order to cause such requirement to be satisfied, the Successor Agency desires to execute a continuing disclosure agreement or certificate (the “Continuing Disclosure Certificate”) among the Successor Agency, the Trustee, pursuant to which the Authority and the Successor Agency will provide annual disclosure and notices in the event of certain enumerated events; and

WHEREAS, there are potential debt service savings that can be achieved through a refinancing the Prior Obligations and the related IRS Liability, and the Oversight Board now wishes to direct the Successor Agency to prepare for the refunding of the Prior Obligations and the IRS Liability, to achieve debt service savings or otherwise comply with the terms of California Health and Safety Code Section 34177.5 including Section 34177.5(a)(1); and

WHEREAS, an oversight board may only direct such a refunding so long as the successor agency is able to recover its related costs in connection with the transaction; and

WHEREAS, the costs associated with the issuance of refunding bonds include the services of an underwriter, bond counsel, and fiscal consultant, which professional services are expected to be contingent upon the issuance of the refunding; and

WHEREAS, the recovery of such costs in connection with such a refunding transaction shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in Section 34171(b) of the Dissolution Law; and

WHEREAS, the Successor Agency has approved all matters relating to the issuance and sale of the Refunding Bonds; and

WHEREAS, the Refunding Bonds, the Indenture, the Escrow Instructions, the Official Statement, the Bond Purchase Agreement, and the Continuing Disclosure Certificate are referred to in this Resolution as the “Primary Bond Documents”; and

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

NOW THEREFORE, THE CITY OF HUNTINGTON PARK OVERSIGHT BOARD DOES HEREBY 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. Approval of Refunding; Use of Prior Proceeds. The Primary Bond Documents, in substantially the form presented at this meeting with such changes therein as the Successor Agency Officer or Successor Agency Officers executing the same may require or approve upon consultation with the City Attorney/counsel to the Successor Agency and/or upon consultation with Bond Counsel, are hereby approved, and the issuance of the Refunding Bonds for the purposes set forth herein and subject to the requirements of Section 34177.5(a)(1) of the Dissolution Law is hereby approved.

The Oversight Board hereby further determines that remaining Prior Proceeds, if any, that are not intended to be spent by the Successor Agency in a manner consistent with the respective bond covenants applicable to the Prior Obligations and the Dissolution Law, shall be used to defease and/or refund the Prior Obligations and the IRS Liability and/or to fund a debt service reserve account for the related Refunding Bonds.

The Successor Agency has filed with the Oversight Board a certified copy of its Resolution No. _____, adopted on December 15, 2015, together with a summary debt service savings analysis, which is hereby approved as demonstrating the potential savings that may result from the refunding of all or a portion of the Prior Obligations.

Section 3. Recovery of Costs. The Oversight Board hereby authorizes and approves the Successor Agency to recover reasonable related costs incurred in connection with or related to this transaction, including the cost of Successor Agency staff time. The Successor Agency may recover such costs from the proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue its bonds or incur other indebtedness to refund the bonds or other indebtedness, by including cost of the financial advisor in a future Recognized Obligation Payment Schedule. For the purpose of expending such proceeds, Section 34177.3 of the Dissolution Law and other provisions relating to Recognized Obligation Payment Schedules (the “ROPS”) and shall not apply. If the Successor Agency is not able to issue the Refunding Bonds, the Successor Agency may recover such costs by including such costs in one or more future ROPS. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Section 34171(b) of the Dissolution Law.

The Successor Agency shall be entitled to receive its full allocation of the Administrative Cost Allowance under Section 34183(a)(3) of the Dissolution Law without any deductions with respect to continuing costs related to the Refunding Bonds, trustee fees and expenses, auditing, financial advisor and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, “Compliance Costs”), and such Compliance Costs shall be payable from property tax revenues pursuant to Section 34183 of the Dissolution Law.

Section 4. Executive Director Acting for Successor Agency. The City Manager acting for the Oversight Board is hereby authorized to take whatever actions may be necessary to carry out the purposes of this Resolution pursuant to the Dissolution Law.

Section 5. Secretary to Successor Agency. The Secretary to the City of Huntington Park Oversight Board shall certify to the passage of this Resolution and enter it into the book of original resolutions and take any other actions and/or perform any other duties required by law.

Section 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution; provided that the Successor Agency’s recovery of its costs related to the potential and/or actual Refunding Bonds shall be and remain a primary objective and condition of the Oversight Board’s request hereunder.

Section 7. Effective Date. Pursuant to Section 34179(h) of the Dissolution Law, all actions taken by the Oversight Board may be reviewed by the California Department of Finance (the “Department of Finance”) and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval (including as may be deemed approved under the law) by the Department of Finance.

PASSED, APPROVED AND ADOPTED by the City of Huntington Park Oversight Board this 13th day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Estevan Padilla, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary to the City of Huntington
Park Oversight Board

Jhonny Pineda, Chairperson
City of Huntington Park Oversight Board

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }
CITY OF HUNTINGTON PARK }

CERTIFICATION OF RESOLUTION
CITY OF HUNTINGTON PARK OVERSIGHT BOARD

I, Estevan Padilla, Deputy Clerk, Los Angeles County Board of Supervisors and acting as Secretary to the City of Huntington Park Oversight Board, do hereby certify that this is a true and correct copy of the original Resolution No. 2016-01 passed and adopted by the City of Huntington Park Oversight Board, at a Special meeting held on January 25, 2016, for which the original is on file in my office.

Estevan Padilla, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary to the City of Huntington Park
Oversight Board