

CITY OF HUNTINGTON PARK

Successor Agency
Oversight Board Agenda Report

September 22, 2014

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

Dear Members of the Oversight Board:

RESOLUTION AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND OTHER MATTERS RELATED TO THE REFUNDING BONDS

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Approve and authorize the issuance of tax allocation refunding bonds relating to the Successor Agency's payment obligations in connection with the \$55,875,000 Huntington Park Public Finance Authority Refunding Revenue Bonds, Series 2004A (the "2004 Bonds") and the 2007 Huntington Park Public Financing Authority All Points Lease (the "2007 All Points Lease"). The Successor Agency's tax allocation bonds are being issued to refund the Successor Agency obligations described in the Resolution relating to the 2004 Bonds and the 2007 All Points Lease are collectively referred to as the "Refunding Bonds."
2. Approve and authorize the execution and delivery of one or more trust indentures, escrow agreements, bond purchase agreements and continuing disclosure agreements.
3. Authorize the Executive Director and other appropriate officers of the Successor Agency to take all actions necessary to carry out the refinancing.
4. Approve a loan agreement evidencing the borrowing from the City and/or the County Treasurer by the Successor Agency for the purposes of satisfying the Successor Agency's yield reduction penalty on the 2004 Bonds.
5. Approve bond issuance services for Bond Counsel, Fiscal Consultant, Financial Advisor, Pricing Advisor, Successor Agency Counsel, and any other professional services as required to ensure execution and delivery of the Refunding Bonds.

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BACKGROUND

On August 4, 2014, the Successor Agency authorized the Executive Director and staff to move forward with refinancing for savings the Successor Agency's obligations relating to the 2004 Bonds and the 2007 All Points Lease. In its meeting on August 13, the Oversight Board further directed the Successor Agency to take the actions necessary to refinance for savings the Successor Agency's obligations relating to the 2004 Bonds and the 2007 All Points Lease. At both meetings it was contemplated that the Refunding Bonds would be issued through the Los Angeles County Redevelopment Refunding Pool Program; however, it has now been determined that the financings will be carried out on a stand-alone basis using the same financial team as the Successor Agency would have through the County Pool.

On September 11, the Executive Director, Successor Agency Counsel and Financial Advisor met with the Department of Finance ("DOF") to discuss the refinancing and to gain a clearer understanding of what approvals are likely to be afforded the Successor Agency.

LEGAL AND FINANCIAL CONSIDERATIONS; FISCAL IMPACT

1. ***Yield Reduction Penalty/Rebate Liability.*** As the Successor Agency is aware, the 2004 Bonds purchased an escrow at a yield substantially higher than the yield on the original 1994 Bonds thereby generating a substantial yield reduction penalty of approximately \$5.5 million plus which must be rebated to the IRS. With the 2004 Bonds now being refinanced, the payment to the IRS is due within 60 days of such refinancing. With a payment of \$3.4 million now due, with limited cash flow availability, the Successor Agency will need to seek an emergency loan from the City and/or the County Treasurer to make the payment. The DOF was not initially receptive to the Successor Agency's request to refund the yield reduction penalty as a component of the Refunding Bonds.
2. ***Refinancing of the Successor Agency's Obligations relating to the 2007 All Points Lease ("2014 Bonds, Series A").*** Based on current market conditions, the 2014 Bonds, Series A will generate net present value savings of \$382,420 or approximately \$41,651 per year in savings through 2025. Similarly, based on dissolution laws, savings would be split among taxing entities with the City's share of annual savings of 7.38% or \$3,074.

The call date for the 2007 All Points Lease is 2017. The sole bond owner has indicated their willingness to allow the Successor Agency to prepay its reimbursement obligation permit the City to repurchase the Bonds at a 1% premium rather than the stipulated 2% premium thereby making the refinancing more viable. Based on a preliminary financing schedule, it is anticipated that the

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2014 Bonds, Series A would close by mid to late November 2014, at which time the 2007 All Points Lease would be fully redeemed.

3. **Refinancing of the Successor Agency’s obligations relating to the 2004 Bonds (“2014 Bonds, Series B (Federally Taxable)”)**. For reasons related to the yield reduction penalty generated by the 2004 Bonds, the Successor Agency would incur another substantial liability were it to issue the 2014 Bonds, Series B on a tax-exempt basis. The Successor Agency is able to issue taxable bonds at a slightly higher cost, thus lower savings than those presented at the August 4 meeting. Based on current market conditions the 2014 Bonds, Series B will generate net present value savings of \$763,174 in present value savings over the next eight years. Annual cash flow savings approximate \$104,165 with the City’s share of those annual savings of 7.38% or \$7,687.

The 2004 Bonds are currently callable on any date after September 1, 2014 with a 2% premium. Based on a preliminary financing schedule, it is anticipated that the 2014 Bonds, Series B would close by November, at which time 2004 Bonds would be fully redeemed.

4. **Administrative Costs.** The DOF was not receptive to the Successor Agency’s request to refund accrued unpaid administrative costs as a component of the Refunding Bonds. The Successor will recoup its unpaid administrative costs when RTTPF funds are sufficient. The Successor Agency will be reimbursed for staff time in an amount up to \$50,000.

The following table summarizes the savings from both transactions:

Transaction	Refunding Bonds Relating to 2004 Bonds	Refunding Bonds Relating to 2007 All Points Lease
<i>Par Amount</i>	\$30,355,000	\$4,375,000
<i>Final Maturity</i>	2022	2025
<i>Present Value Savings</i>	\$765,069	\$382,420
<i>Savings as a % of Refunded Bonds</i>	2.69%	7.64%
<i>Average Annual Savings</i>	\$104,165	\$34,765
<i>City’s share of PV Savings (7.38%)</i>	\$7,687	\$1,400

The final savings amount for the Successor Agency’s obligations relating to both bond issues will depend on the market interest rates in effect at the time the 2014 Bonds, Series A and Series B are priced, anticipated in mid to late November. The source of repayment for both series of bonds will be RTTPF monies.

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REQUIRED APPROVALS AND AUTHORIZATIONS

In order to move forward with executing both refinancings, certain authorizations and approvals are necessary:

1. Authorization of the Chair of the Successor Agency, the Executive Director, the City's Acting Finance Director, the City's Community Development Director and the Secretary of the Successor Agency, each, an "Authorized Officer" and together, "Authorized Officers" of the Successor Agency, to execute and deliver all documents as required and to take any actions necessary in delivering the Refunding Bonds on behalf of the Successor Agency;
2. Approval of the issuance of the Refunding Bonds;
3. Approval of an Indenture in substantially final form and the execution of Refunding Bonds.
4. Approval of a Bond Purchase Agreement in substantially final form.
5. Approval of a form of Escrow Agreement in substantially final form.
6. Approval of a Continuing Disclosure Agreement in substantially final form.
7. Approval of a Loan Agreement between the City and/or the County Treasurer as lender and the Successor Agency as the borrower for purposes of extinguishing the yield reduction penalty.
8. Approval of the following bond issuance services:
 - (a) Stifel, Nicolaus & Company, Incorporated as the Underwriter;
 - (b) Orrick, Herrington & Sutcliffe LLP as Bond Counsel;
 - (c) Willdan Financial Services as Fiscal Consultant;
 - (d) Mazyck Advisors LLC as Financial Advisor;
 - (e) A pricing advisor to be designated by the Executive Director;
 - (f) Olivarez Madruga as Successor Agency Counsel; and
 - (g) Any other professional service providers as required to carry out the issuance of the Refunding Bonds.

The Successor Agency will incur various costs associated with the issuance of the refunding bonds including services of the foregoing professional service providers. All of the parties involved in the refunding effort are paid on a contingency basis, with the exception of the Fiscal Tax Consultant, the Financial Advisor, and the City of Huntington Park. Should interest rates increase substantially prior the bond issuance date or another situation arise that makes the refunding not economically feasible, the Fiscal Tax Consultant, the Financial Advisor and City of Huntington Park will be compensated

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for their services. Should this occur, the fees for these services, estimated to be \$60,000, will be placed on the next ROPS as enforceable obligations.

CONCLUSION AND NEXT STEPS

Staff will return at a later date to seek approval of the Preliminary Official Statement from the Successor Agency. The Oversight Board is scheduled for September 22 to approve the refinancing of the bonds after which time it will be sent on to DOF. We anticipate DOF's approval within 60 days or less and anticipate the Successor Agency will close the transactions by November 30, 2014.

Respectfully submitted,



Julio Morales
Interim Executive Director

Attachments:

Resolution

- A. Indenture
- B. Escrow Agreement
- C. Bond Purchase Agreement
- D. Continuing Disclosure Agreement

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, 2014

relating to

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

including

**\$ _____
Series 2014A**

**\$ _____
Series 2014B (Federally Taxable)**

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THIS INDENTURE OF TRUST, dated as of ____ 1, 2014 (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,

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, 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 XI 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; 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, by the adoption of Ordinance No. ____ on ____ __. ____, 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. ____ on ____ __. ____, the City duly established its Industrial Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. ____ on ____ __. ____, the City duly established its North Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. ____ on ____ __. ____, 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 Revenues, such that Tax 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, in 2004, the Huntington Park Public Financing Authority (the “HPPFA”), for the benefit of the Former CDC, issued its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “Series 2004 Bonds”) in the aggregate principal amount of \$55,875,000, payable from principal and interest payments on the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds (the “2004 CDC Bonds”) attributable to the Merged Redevelopment Project; and

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

WHEREAS, the Successor Agency desires to undertake the refunding of its obligations under its 2004 CDC Bonds and 2004 Assistance Agreement and, by extension, effect a refunding of the Series 2004 Bonds; and

WHEREAS, the 2004 CDC Bonds and the Series 2004 Bonds are subject to optional redemption on any date on or after September 1, 2014 at a redemption price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, in 2007, the Former CDC executed and delivered (1) a Loan Agreement (Santa Fe) (the “2007 Loan Agreement”) dated as of February 1, 2007 by and between the Former CDC and Union Bank of California, N.A. and (2) an Amended and Restated Reimbursement Agreement (the “2007 Reimbursement Agreement”) dated October 10, 2007 by and between the Former CDC and the City in connection with a private placement to All Points Public Funding, LLC of a lease, the Huntington Park Public Financing Authority All Points Lease (the “Series 2007 Obligation” and, together with the 2007 Loan Agreement, the 2007 Reimbursement Agreement, the 2004 CDC Bonds, the 2004 Assistance Agreement and the Series 2004 Bonds, the “Prior Obligations”), executed between the City and the HPPFA, as amended on October 10, 2007, in the approximate aggregate principal amount of \$6,575,000, the lease payments under which, by operation of the 2007 Reimbursement Agreement, are payable from tax increment revenues attributable to the Santa Fe Redevelopment Project; and

WHEREAS, the Series 2007 Obligation is not subject to tender but by agreement with All Points Public Funding, LLC is subject to tender by agreement wherein in connection with the refunding and prepayment of the 2007 Loan Agreement and 2007 Reimbursement Agreement, the HPPFA will repurchase the Series 2007 Obligation at a purchase/tender price projected to equal 101% of the purchased principal amount thereof, plus interest due thereon to the tender date; and

WHEREAS, the Successor Agency desires to undertake the refunding of its obligations under its 2007 Loan Agreement and 2007 Reimbursement Agreement and, by extension, effect a refunding of the Series 2007 Obligation; and

WHEREAS, that the Successor Agency has initiated discussion with the California Department of Finance (the “DOF”) regarding such enforceable obligations and its request to refund these obligations pursuant to California Health and Safety Code Section 34177.5(a)(3) or (4) or restructure debt service so that savings resulting from the proposed refunding of the Prior Obligations may permit sufficient property

tax revenues to provide for such enforceable obligations as may be approved for listing on future Recognized Obligation Payment Schedules (the “ROPS”); and

WHEREAS, there are potential debt service savings that can be achieved through a refinancing of all or a portion of the Prior Obligations in accordance with the terms of California Health and Safety Code Section 34177.5 including Section 34177.5(a)(1) with respect to the Prior Obligations and Section 34177.5(a)(3) or (4) with respect to the other enforceable obligations;

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 2014A (the “Series 2014A Bonds”), and its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014B (Federally Taxable) (the “Series 2014B Bonds” and, together with the Series 2014A Bonds, the “Series 2014 Bonds”), in order to refund the Refunded Obligations, fund a reserve account and pay the costs of issuance of the Series 2014 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 2014A Bonds and the Insured Series 2014B Bonds.

“Bond Insurer” or **“_____”** shall mean _____, or any successor thereto or assignee thereof, as insurer of the Insured Series 2014 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 2014 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 Escrow Bank and the City in connection with their compliance with the Indenture, the Escrow Agreements and the Continuing Disclosure Agreement 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 its Bond Insurance Policy, 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 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 Agreement” shall mean that Continuing Disclosure Agreement, by and between the Successor Agency and the Trustee, dated as of ____ 1, 2014, relating to the 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 Agreement(s), the Continuing Disclosure Agreement 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.

“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 Agent” shall mean U.S. Bank National Association, as Escrow Agent under the applicable Escrow Agreement.

“Escrow Agreement” shall mean (a) with respect to the 2004 CDC Bonds, the Escrow Agreement dated as of ____ 1, 2014, by and between the Successor Agency and the Escrow Agent, relating to the 2004 CDC Bonds, the 2004 Assistance Agreement and the Series 2004 Bonds, and (b) with respect to the Series 2007 Obligation, the Escrow Agreement dated as of ____ 1, 2014, by and between the Successor Agency and the Escrow Agent, relating to the Series 2007 Obligation, the 2007 Loan Agreement and the 2007 Reimbursement Agreement.

“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 2014A Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014A maturing on September 1 in the years 20__ through 20__.

“Insured Series 2014B Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014B (Federally Taxable) maturing on September 1 in the years 20__ through 20__.

“Insured Series 2014 Bonds” shall mean the Insured Series 2014A Bonds and the Insured Series 2014B Bonds.

“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 [March 1, 2015], with respect to the Series 2014 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.

“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 2014 Bond, any amounts representing an optional redemption of such Series 2014 Bond pursuant to subsection (c) of Section 2.04, consisting of the principal amount of such Series 2014 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, 2015] with respect to the Series 2014 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 Agency, adopted and approved as the Redevelopment Plan for (i) the Central Business District Redevelopment Project by Ordinance No. ____, adopted by the City Council of the City on ____ __, ____, (ii) the Industrial Redevelopment Project by Ordinance No. ____, adopted by the City Council of the City on ____ __, ____, (iii) the North Redevelopment Project by Ordinance No. ____, adopted by the City Council of the City on ____ __, ____, (iv) the Santa Fe Redevelopment Project by Ordinance No. ____, adopted by the City Council of the City on ____ __, ____, and (v) the Merged Redevelopment Project by Ordinance No. ____, adopted by the City Council of the City on ____ __, ____, 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 Successor Agency costs and rebate obligation,] the 2004 CDC Bonds, the 2004 CDC Bonds, the 2004 Assistance Agreement, the Series 2004 Bonds, the 2007 Loan Agreement, the 2007 Reimbursement Agreement, and the Series 2007 Obligation.

“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 2014 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.

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

“Series 2007 Obligation” shall mean the Successor Agency’s outstanding obligations as defined in the Recitals to this Indenture.

“Series 2014 Bonds” shall mean, collectively, the Series 2014A Bonds and the Series 2014B Bonds.

“Series 2014A Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014A.

“Series 2014B Bonds” shall mean the Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014B (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 the 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, for any period of time, moneys deposited from time to time in the RPTTF and payable to the Successor Agency pursuant to Section 34183 of the Law, [excluding an amount equal to the scheduled interest that is due and payable on all Senior Obligations during such period plus an amount equal to the scheduled principal and scheduled sinking fund redemption payments that are due and payable on all Senior Obligations during such period, plus an amount, if any, required to cure any deficiency in any of the Senior Bond Reserve Accounts pursuant to the Senior Indentures].

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

“2007 Loan Agreement” shall mean the Successor Agency’s outstanding obligations as defined in the Recitals to this Indenture.

“2007 Reimbursement Agreement” 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 2014 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 2014 Bonds. The Series 2014A 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 2014A” and shall be in the aggregate principal amount of \$_____.

The Series 2014B 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 2014B (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 2014 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 [March 1, 2015], in which event they shall bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2014 Bond, interest is then in default on the Outstanding Series 2014 Bonds, such Series 2014 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 2014 Bonds.

The Series 2014A 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
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

The Series 2014B 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.

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

Section 2.03 Form of Series 2014 Bonds. The Series 2014 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 2014 Bonds.

(a) Optional Redemption of Series 2014A Bonds. The Series 2014A Bonds shall not be subject to optional redemption prior to their respective maturity dates.

(b) Make-Whole Optional Redemption of the Series 2014B Bonds. [(i) The Series 2014B 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 2014B 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” means, with respect to any Series 2014B 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 2014B 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 2014B 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 2014B Bond, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series 2014B 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 2014B Bond or portion thereof being redeemed; minus

(2) The principal amount of the Series 2014B 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” means 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 2014B 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 2014B 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 2014B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2014B 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” means 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 2014B 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 2014B Bond being redeemed.

“Independent Banking Institution” means 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 2014 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” means, with respect to any date on which an Series 2014B 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” means 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 2014 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 2014 Bonds -- Allocation Among Funds and Accounts. Upon receipt of payment for the Series 2014 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 2014 Bonds].

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

(c) The Trustee shall transfer \$_____ to the Escrow Agent to refund the 2007 Loan Agreement and 2007 Reimbursement Agreement.

(d) The Trustee shall transfer to the Cost of Issuance Fund the sum of \$_____ for the payment of Costs of Issuance of the Series 2014 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 2014 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 2014 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. 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.

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 six-month period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any amounts 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 six month period. The Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the County Auditor-Controller and the Department of Finance at least ninety (90) days prior to the January 2 Redevelopment Property Tax Trust Fund distribution and at least ninety (90) days prior to the June 1 Redevelopment Property Tax Trust Fund distribution, as applicable.

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 commencing on June 2 of the prior calendar year and ending January 2 of the then current calendar year in excess of the amount required, as provided in this section, to be deposited in the Special Fund on January 2, and (2) during the period commencing on January 3 of the then current calendar year and ending June 1 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, 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 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 2014 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 and interest on the Series 2014 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 2014 Bonds, respectively. Where deposits are required to be made by the Successor Agency with the Trustee to the debt service fund for the Series 2014 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 2014 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 2014 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 2014 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 2014 Bonds or (ii) remedies which would adversely affect owners of the Series 2014 Bonds

(f) The Authorizing Document 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 2014 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 Indenture or any document executed in connection with the Series 2014 Bonds (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 Authorizing Document 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 2014 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 2014 Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2014 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 2014 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 2014 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 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 Agreement), 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 six-month period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any amounts 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 amounts attributable to the Project Area to the Trustee for deposit in the Special Fund on each January 2 and June 1 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 six-month 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 six-month period, 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 six-month period.

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 Agreement. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Agreement 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 Agreement) 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 Agreement. 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
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 2014 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 2014 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 2014 Bonds.

The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2014 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 2014 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 2014 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 2014 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 2014 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 2014 Bonds and on any debt on parity with the Insured Series 2014 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 Agreement), 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 2014 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 2014 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 2014 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 2014 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 2014[A][B (Federally Taxable)]**

BOND DATE:
_____, 2014

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 [March 1, 2015], in which event they shall bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2014 Bond, interest is then in default on the Outstanding Series 2014 Bonds, such Series 2014 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 [March 1, 2015] 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 2014[A (Tax-Exempt)][B (Federally Taxable)] (the “Series 2014[A][B] 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, 2014, by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Indenture”). Simultaneously with the issuance of the Series 2014[A][B] Bonds, the Successor Agency is issuing its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014[B (Federally Taxable)][A (Tax-Exempt)] (the “Series 2014[B][A] Bonds”), in the aggregate principal amount of \$[_____] [_____]. The Series 2014A Bonds are on a parity with the Series 2014B Bonds. 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 2014A Bonds and the Series 2014B Bonds. The Series 2014A Bonds and the Series 2014B 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 2014A Bonds Annual Interest and Principal Payments

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
9/1/2015			
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 2014A 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>
3/1/2015				
9/1/2015				
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

Series 2014B Bonds Annual Interest and Principal Payments

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
9/1/2015			
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 2014B 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>
3/1/2015				
9/1/2015				
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				

ESCROW AGREEMENT

by and between

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

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of ____ 1, 2014

with respect to the

**Huntington Park Redevelopment Agency
Merged Redevelopment Project
Tax Allocation Refunding Bonds
1994 Series A**

and the related

**Huntington Park Public Financing Authority
Refunding Revenue Bonds
2004 Series A**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of ____ 1, 2014, is by and between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the Huntington Park Redevelopment Agency, the “Agency”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as Prior Agency Trustee and Prior Authority Trustee (each as defined herein), and as escrow agent (the “Escrow Agent”).

WITNESSETH:

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

WHEREAS, in 2000 the Huntington Park Redevelopment Agency changed its name to the 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, notes, certificates of participation, or other evidences of indebtedness, 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 as of February 1, 2012 pursuant to Assembly Bill XI 26 (“AB 26”); and

WHEREAS, in 2004, the Huntington Park Public Financing Authority (the “HPPFA”), for the benefit of the Former CDC, issued its Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004 Series A (the “Series 2004 Bonds”) in the aggregate principal amount of \$55,875,000, payable from principal and interest payments on the Huntington Park Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, 1994 Series A (the “1994 CDC Bonds”) attributable to the Merged Redevelopment Project; and

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

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

WHEREAS, the 1994 CDC Bonds and the Series 2004 Bonds are subject to optional redemption on any date on or after September 1, 2014 at a redemption price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption; and

WHEREAS, the 1994 CDC Bonds were issued under a Fiscal Agent Agreement, dated as of May 1, 1994 (the “Fiscal Agent Agreement”), between the Former CDC and U.S. Bank National Association, as trustee (the “Prior Agency Trustee”); and

WHEREAS, the Series 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 “Prior Authority Trustee” and, together with the Prior Agency Trustee, the “Prior Trustee”); and

WHEREAS, the Successor Agency has determined to cause the 1994 CDC Bonds and the Series 2004 Bonds to be prepaid and redeemed on _____ 1, 2014 (the “Redemption Date”) at a redemption price equal to 102% of the principal amount of the 1994 CDC Bonds plus accrued interest thereon; and

WHEREAS, the redemption of the related Series 2004 Bonds will be caused by the deposit of the proceeds of tax allocation refunding bonds to be issued by the Successor Agency on or about _____, 2014 and, upon receipt of such proceeds and the funding of the Escrow Fund, HPPFA will direct the redemption of the Series 2004 Bonds; and

WHEREAS, the Successor Agency and HPPFA have jointly directed the redemption of the Series 2004 Bonds, in an aggregate principal amount of \$_____, on the Redemption Date at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Series 2004 Bonds plus accrued interest thereon to the Redemption Date; and

WHEREAS, in order to provide a portion of the funds necessary to redeem the 1994 CDC Bonds and the Series 2004 Bonds, the Successor Agency has caused the issuance of its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014A (the “Series 2014A Bonds”), and its Successor Agency to the Community Development Commission of the City of Huntington Park, Tax Allocation Refunding Bonds, Series 2014B (Federally Taxable) (the “Series 2014B Bonds” and, together with the Series 2014A Bonds, the “Series 2014 Bonds”), under the Indenture of Trust, dated as of _____ 1, 2014 (the “Refunding Bonds Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Successor Agency has provided, and by this Escrow Agreement has further provided, for the call for redemption 1994 CDC Bonds then outstanding on the Redemption Date and the Series 2004 Bonds then outstanding on the Redemption Date; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Agent agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Fiscal Agent Agreement.

Section 2. The Escrow Fund. (a) There is hereby established a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Agent, which the Escrow Agent shall keep separate and apart from all other funds of the Successor Agency and the Escrow Agent and which shall be applied solely as provided in this Escrow Agreement. The Escrow Fund is established for the purpose of refunding the 1994 CDC Bonds and the Series 2004 Bonds.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged solely to the payment on the Redemption Date, of the Redemption Price, which amounts shall be held in trust by the Escrow Agent in accordance with the Fiscal Agent Agreement and the 2004 Indenture. The Escrow Agent acknowledges receipt of the report of [Grant Thornton LLP], with

respect to the sufficiency of amounts on deposit to refund the 1994 CDC Bonds on the Redemption Date and to further refund the Series 2004 Bonds on the Redemption Date, and accordingly, to refund and discharge the 2004 Assistance Agreement.

(b) Upon the issuance of the Bonds, there shall be deposited in the Escrow Fund \$_____ received from the proceeds of the sale of the Bonds and \$_____, which the Successor Agency hereby instructs the Escrow Agent (1) in its capacity as Prior Trustee to transfer to the Escrow Agent from the funds held under the Fiscal Agent Agreement, and (2) upon receipt of such proceeds and the funding of the Escrow Fund, HPPFA directs the redemption of the Series 2004 Bonds.

(c) Upon the deposit of moneys pursuant to Section 2(b), the moneys on deposit in the Escrow Fund will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Agent hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to hold such funds uninvested, and to make all payments required by Section 4 hereof.

(b) The Owners of the Series 2004 Bonds shall have a first and exclusive lien on the moneys in the Escrow Fund until such moneys are used and applied as provided in this Escrow Agreement.

Section 4. Payment of 1994 CDC Bonds and Series 2004 Bonds. From the uninvested money held in the Escrow Fund on the Redemption Date, the Escrow Agent, as the Prior Trustee, shall apply such amounts to pay the Redemption Price in accordance with the terms of the Fiscal Agent Agreement, such amount sized to be sufficient to pay the Redemption Price on the Redemption Date, each as set forth in the tables attached hereto as Exhibit A. The Prior Authority Trustee is directed to select Series 2004 Bonds to be redeemed by maturity in relation to the principal amount of the related maturity of 1994 CDC Bonds as provided in Section ___ and in the form of notice attached hereto as Exhibit B, and by lot as provided in Section ___, as provided in the 2004 Indenture. From the uninvested money then held in the Escrow Fund, the Escrow Agent shall apply such amounts, on the Redemption Date, to pay the Redemption Price in accordance with the terms of the Fiscal Agent Agreement, such amount sized to be sufficient to pay the Redemption Price of the 1994 CDC Bonds on the Redemption Date. It is intended in accordance with Section ___ of the Fiscal Agent Agreement and Section ___ of the 2004 Indenture that amounts used to pay the Redemption Price of the 1994 CDC Bonds on the Redemption Date shall be used to pay the Redemption Price of the Series 2004 Bonds on the Redemption Date.

The amount of Series 2004 Bonds to be refunded on the Redemption Date is as set forth in the tables attached hereto as Exhibit A and in the form of notice of redemption attached hereto as Exhibit B; each bond being in authorized denominations in accordance with the 2004 Indenture, and the amount of HPPFA Bonds allocable to other Redevelopment Agencies as defined in the 2004 Indenture. Amounts in excess of such amount necessary to refund the HPPFA Refunding Bonds resulting from rounding to an authorized denomination, if any, shall be deposited in the Redemption Fund under the 2004 Indenture.

To the extent that the amount on deposit in the Escrow Fund on the Redemption Date is in excess of the amount necessary to pay the Redemption Price, such excess shall be transferred to the Trustee for deposit in the Special Fund under the Refunding Bonds Indenture.

Section 5. Irrevocable Instructions to Call Bonds and Mail Notice. The Prior Authority Trustee is hereby irrevocably instructed, in accordance with Section ___ of the 2004 Indenture, to mail notice on or before _____, 2014 of the redemption of the Series 2004 Bonds pursuant to Section ___ of the 2004 Indenture substantially in the form attached hereto as Exhibit B. In addition, any instructions received by the Prior Authority Trustee from HPPFA relating to the redemption of the Series 2004 Bonds

shall constitute irrevocable instructions to redeem such Series 2004 Bonds pursuant to the terms of the 2004 Indenture. This instruction shall constitute the Successor Agency's election with respect to defeasance, in accordance with Section ___ of the Fiscal Agent Agreement and Section ___ of the 2004 Indenture.

Section 6. Performance of Duties; Acknowledgement with Respect to Irrevocable Instructions. The Escrow Agent agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it.

Section 7. No Authority to Make Investments. The Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement. The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 8. Indemnity. To the extent permitted by law, the Successor Agency hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

Section 9. Responsibilities of Escrow Agent. The Escrow Agent makes no representation as to the sufficiency of the moneys deposited in the Escrow Fund to accomplish the redemption of the 1994 CDC Bonds pursuant to the Fiscal Agent Agreement and the Series 2004 Bonds pursuant to the 2004 Indenture or to the validity of this Escrow Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof or be required to risk or expend its own funds hereunder. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default. The Escrow Agent may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Successor Agency. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent may resign by giving written notice to the Successor Agency, and upon receipt of such notice the Successor Agency shall promptly appoint a successor Escrow Agent. If the Successor Agency does not appoint a successor Escrow Agent within 30 days of receipt of such notice, the resigning Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Agent. Upon acceptance of appointment by a successor Escrow Agent, the resigning Escrow Agent shall transfer all amounts held by it in the Escrow Fund to such successor Escrow Agent and be discharged of any further obligation or responsibility hereunder.

The Escrow Agent shall incur no liability in acting or proceeding in good faith upon any notice, facsimile, request, consent, waiver, or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by an authorized representative of the Successor Agency.

Section 10. Amendments. The Agency and the Escrow Agent may (but only with the consent of the Owners of all of the Series 2004 Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement.

Section 11. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the date upon which the Series 2004 Bonds have been paid in accordance with this Escrow Agreement.

Section 12. Compensation. The Agency shall from time to time pay or cause to be paid to the Escrow Agent the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Agent for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement or otherwise.

Section 13. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Successor Agency or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 14. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 15. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

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

By: _____
Authorized Signatory

**U.S. BANK NATIONAL ASSOCIATION, as
Prior Trustee and as Escrow Agent**

By: _____
Authorized Signatory

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

By: _____
Authorized Signatory

**The undersigned ACKNOWLEDGES and AGREES TO
the terms herein relating to the redemption of the Series
2004 Bonds:**

**HUNTINGTON PARK PUBLIC FINANCING
AUTHORITY**

By: _____
[Authorized Officer]

[Signature page to Escrow Agreement]

EXHIBIT B
FORM OF NOTICE OF REDEMPTION

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

\$ _____
Series 2014A

\$ _____
Series 2014B (Federally Taxable)

BOND PURCHASE AGREEMENT

_____, 2014

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”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Issuer”) for the purchase from the Issuer the Tax Allocation Refunding Bonds, Series 2014A (the “2014A Bonds”) and the Tax Allocation Refunding Bonds, Series 2014B (Federally Taxable) (the “2014B Bonds,” and together with the 2014A Bonds, the “Bonds”). This offer is made subject to acceptance hereof by the Issuer prior to 6:00 p.m., California time, on _____, 2014, and upon such acceptance, as evidenced by the signature of the Executive Director of the Issuer in the space provided herein. This Purchase Agreement 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 Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer; (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to: (x) the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer or affiliates of the Issuer on other matters); or (y) any other obligation to the Issuer except the obligations expressly

set forth in this Purchase Agreement; and (iv) the Issuer has consulted with its own legal and financial advisor to the extent it has deemed appropriate in connection with the offering of the Bonds.

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 Bonds at a purchase price equal to \$_____ (representing an aggregate principal amount of \$_____, minus original issue 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, 2014 (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 _____, 2014 and Resolution No. _____ adopted by the Issuer on _____, 2014 (collectively, the "Resolutions"), and by Resolution No. _____ adopted by the Oversight Board for the Issuer on _____, 2014 (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 ("AB 1484"), 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 certain prior obligations (the "Prior Obligations") of the Community Development Commission of the City of Huntington Park and to pay all or a portion of previously approved enforceable obligations. In connection with the refunding of the Prior Obligations, the Issuer will enter into separate Escrow Agreements, each dated as of _____ 1, 2014 (collectively, the "Escrow Agreements"), by and between the Issuer and U.S. Bank National Association, as escrow agent.

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 _____, 2014 (the “Preliminary Official Statement”) to be “final” as of its date for purposes of Rule 15c2-12. By acceptance of this Purchase Agreement, 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 _____, 2014, 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 the Bonds in book-entry form through the Trustee via the F.A.S.T. delivery book-entry system of The Depository Trust Company (“DTC”). The Underwriter 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 Agreement, (ii) to issue, sell and deliver the Bonds to the Underwriter, (iii) to adopt the Resolutions, and (iv) to carry out and to consummate the transactions contemplated by this Purchase Agreement, the Indenture, the Continuing Disclosure Agreement, dated as of _____ 1, 2014 (the “Disclosure Agreement”), and the Official Statement;

(b) The Preliminary Official Statement (other than statements therein pertaining to the DTC and its book-entry system, 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, 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 Agreements, the Bonds, the Disclosure Agreement and this Purchase Agreement (collectively, the “Issuer Agreements”), 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 Resolutions and the execution and delivery of the Issuer Agreements, 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 on a senior or parity basis to the lien under 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 Resolutions, execution and delivery by the Issuer of the Issuer Agreements, 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 and the Dissolution Act, and the Issuer Agreements, 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 Agreement 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 Issuer Agreements 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 Resolutions or to execute and deliver the Issuer Agreements, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the Issuer's performance under the Issuer Agreements, or the validity or enforceability of the Issuer Agreements;

(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; and

(o) The Issuer shall provide to the Underwriter, not later than seven (7) business days after the date of this Purchase Agreement, 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.

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

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 in writing before 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 Agreement 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 Agreement 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, and shall also be subject to the following additional conditions:

(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 Federal or 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 & Sutcliffe 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, in substantially the form and substance attached hereto as Appendix B, dated the date of Closing;

(3) The opinion of counsel to the Issuer, addressed to the Underwriter and the Issuer, in substantially the form and substance attached hereto as Appendix C, dated the date of the Closing;

(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 warranties of the Issuer contained in the Purchase Agreement are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof; (2) the Issuer has in all material respects complied with and satisfied the terms and conditions of the Purchase Agreement and the Indenture required to be complied with or satisfied by the Issuer at or prior to the date hereof; (3) 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 Agreement, the Indenture and the Continuing Disclosure Agreement, and consummation of such transactions; (4) to the best of the undersigned Executive Director’s knowledge, 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; and (5) the Issuer has executed and delivered the Indenture on this day. Assuming the due execution and delivery thereof by the Trustee, the Indenture is in full force and effect;

(5) A certificate of the Trustee dated the date of the Closing, to the effect that: (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America; (ii) the

Trustee is has the full power, is qualified and duly authorized, and has agreed to: (a) authenticate the Bonds, (b) perform its duties under the Indenture, as the Trustee, and (c) perform its duties pursuant to the Escrow Agreements; (iii) the Trustee has on this date: (a) authenticated and delivered the Bonds pursuant to the Indenture, and (b) entered into and delivered the Indenture and the Escrow Agreement; (iv) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the Trustee that is a material condition precedent to the consummation by the Trustee of the Indenture on its part or the Trustee's performance thereunder which has not been obtained; provided, that the Trustee is not certifying as to compliance with any federal and state securities laws; (v) to the best of the Trustee's knowledge, the execution and delivery by the Trustee of the Indenture, and the authentication and delivery of the Bonds, and compliance with the terms of the Indenture and the Escrow Agreements do not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, the Articles of Association or by-laws 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 Agreements) 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; (vi) to the best of the undersigned representative's knowledge, the Trustee has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of U.S. Bank National Association, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the execution and delivery of the Indenture or the acceptance of the Escrow Agreements or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under the Indenture, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into the Indenture or the Escrow Agreements or perform its duties under the Indenture and the Escrow Agreements and to authenticate and deliver the Bonds;

(6) An opinion of counsel to the Trustee, addressed to the Underwriter, in the form and substance acceptable to the Underwriter, dated the date of Closing;

(7) Two (2) copies of this Purchase Agreement 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 Agreements, the Disclosure Agreement, and all resolutions of the Issuer and the Oversight Board relating to the issuance of the Bonds (including without limitation the Resolutions and the Oversight Board Resolution);

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

(11) A municipal bond insurance policy insuring the payment of principal and interest on the Bonds (the “Bond Insurance Policy”) issued by _____ (the “Bond Insurer”);

(12) A certificate of the Bond Insurer of an opinion of counsel to the Bond Insurer, dated the date of Closing, regarding the accuracy of the information in the Official Statement describing the Bond Insurer and the Bond Insurance Policy;

(13) An opinion of counsel to the Bond Insurer, dated the date of Closing, addressed to the Issuer, 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 Bond Insurance Policy and, the Bond Insurance Policy’s enforceability against the Bond Insurer;

(14) A rating letter from Standard & Poor’s Ratings Group confirming the rating on the Bonds; and

(15) 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 Agreement, 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 Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter or the Issuer shall have any further obligations hereunder. However, the Underwriter may in its discretion waive one or more of the conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the related Closing.

If this Purchase Agreement 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 Agreement, or if for any reason the Issuer shall be unable to perform all of their respective obligations under this Purchase Agreement, the Issuer shall not be liable to the Underwriter for damages on account of loss of anticipated profits or expenses incurred arising out of the transactions covered by this Purchase Agreement.

8. Expenses.

Subject to the next paragraph, 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, (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 Financial Advisor.

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 Agreement 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 Agreement shall be governed by the laws of the State of California. This Purchase Agreement 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.

11. Parties in Interest. This Purchase Agreement 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 Agreement 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 Agreement.

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Authorized Representative

Accepted as of the date first stated above:

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

By _____
Its: 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 2014A

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
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Series 2014B (Federally Taxable)

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
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APPENDIX B

FORM OF SUPPLEMENTAL OPINION

_____, 2014

Stifel, Nicolaus & Company, Incorporated.
Los Angeles, California

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

\$ _____
Series 2014A

\$ _____
Series 2014B (Federally Taxable)

Ladies and Gentlemen:

We have this day released to the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") our final approving legal opinion with respect to the subject bonds (the "Bonds"). You are authorized to rely on such opinion as if the same were addressed to you.

In connection with rendering the above-described opinion, we examined the record of proceedings submitted to us relative to the issuance of the Bonds and such other documents as are in our opinion necessary to enable us to express an informed opinion with respect to the following matters. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement, dated _____, 2014 (the "Purchase Agreement"), by and between the Successor Agency and Stifel, Nicolaus & Company, Incorporated.

The opinions expressed in this letter are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters

represented, warranted or certified in such documents. Furthermore, we have assumed compliance with all agreements and covenants contained in such documents.

Based upon the foregoing and subject to the limitations and qualifications set forth herein, in our opinion:

1. The Indenture, the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreements, the Purchase Agreement have been duly authorized by the governing body of the Successor Agency, and have been duly executed and delivered by the Successor Agency.

2. Assuming due authorization, execution and delivery by the other parties thereto, the Indenture, the Continuing Disclosure Agreement, the Escrow Agreements and the Purchase Agreement are legal, valid and binding agreements of the Successor Agency, enforceable against the Successor Agency in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other similar laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California.

3. The statements contained in the Official Statement under the captions "INTRODUCTORY STATEMENT," "THE BONDS," "SECURITY FOR THE BONDS" "TAX MATTERS," APPENDIX A – SUMMARY OF THE INDENTURE" and "APPENDIX B – FORM OF BOND COUNSEL OPINIONS," are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture, the Escrow Agreements, the Law (as amended by the Dissolution Act) and Bond Counsel's opinion concerning certain Federal and California tax matters relating to the Bonds; provided that we do not express any opinion with respect to any financial, statistical or numerical information, or any information regarding the book-entry system contained therein).

4. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

5. The Successor Agency 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 Successor Agency for the valid authorization, issuance and delivery by the Successor Agency of the Bonds pursuant to the Indenture.

This opinion is based on such examination of the law of the State of California, Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, as we deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in any of the documents described herein. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the Successor Agency in

connection with the financing described herein, no information that would give us current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our representation of the Successor Agency regarding any other matter.

This letter is furnished by us as Bond Counsel to the Successor Agency. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is delivered to the addressees indicated above, is solely for the benefit of the addressees and is not to be used, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may, not, be relied upon by owners of the Bonds.

Respectfully submitted,

APPENDIX C

FORM OF SUCCESSOR AGENCY COUNSEL OPINION

_____, 2014

Successor Agency to the Community Development
Commission of the City of Huntington Park
Huntington Park, California

Stifel, Nicolaus & Company, Incorporated.
Los Angeles, California

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

\$ _____
Series 2014A

\$ _____
Series 2014B (Federally Taxable)

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to Section 7(c)(3) of the Bond Purchase Agreement, dated _____, 2014 (the "Purchase Agreement"), by and between the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). All capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Agreement. In our capacity as Counsel to the Successor Agency, we have reviewed the Purchase Agreement and such other documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinion set forth herein. Relying on such examination and subject to the limitations and qualifications hereinafter set forth, we are of the following opinions:

(1) The Successor Agency is a public entity, duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California.

(2) Resolution No. _____ and Resolution No. _____ (together, the "Successor Resolutions"), adopted by the Board of Directors of the Successor Agency (the "Board") were

duly adopted at the meetings of the Board, called and held on _____, 2014, and _____, 2014, respectively, pursuant to law and with all public notice required by law and at each of such meetings, a quorum was present and acting throughout. Each of the Successor Agency Resolutions is in full force and effect and has not been modified, amended or rescinded.

(3) Except as otherwise disclosed in the Official Statement and, 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 received by the Successor Agency or, to the best of our knowledge, threatened against the Successor Agency, challenging the creation or existence of the Successor Agency, or the validity or enforceability of the Bonds, Indenture, the Escrow Agreements, the Continuing Disclosure Agreement and the Purchase Agreement (the "Agency Documents") or seeking to restrain or enjoin the issuance of the Bonds, the adoption or effectiveness of the Resolutions, or the execution and delivery by the Successor Agency of, or the performance by the Successor Agency of its obligations under, the Agency Documents, or if determined adversely to the Successor Agency, would have a material and adverse affect upon the right or ability of the Successor Agency to collect or pledge the Tax Revenues from the Project Area (as defined in the Official Statement).

(4) To the best of our knowledge, the execution and delivery of the Agency Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Successor Agency a breach of or default under any agreement or other instrument to which the Successor Agency is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Successor Agency is subject, which breach or default has or may have a material adverse effect on the ability of the Successor Agency to perform its obligations under the Agency Documents.

This opinion is based on such examination of the laws of the State of California as we deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. We express no opinion herein as to the status of the Bonds or the interest thereon, or the Bond Documents under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, we express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Agency Documents. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the Successor Agency in connection with the financing described herein, no information that would give us current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our general representation of the Successor Agency.

This opinion is furnished by us as Counsel to the Successor Agency. Except for the Successor Agency, no attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Bonds or by virtue of this opinion. This opinion is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion. This opinion shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent.

Very truly yours,

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of _____ 1, 2014, is executed and delivered by the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Agency”) and U.S. Bank National Association, as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance of the \$_____ Tax Allocation Refunding Bonds, Series 2014A and \$_____ Tax Allocation Refunding Bonds, Series 2014B (Federally Taxable) (collectively, the “Bonds”). The Bonds are being issued pursuant to provisions of an Indenture of Trust, dated as of _____ 1, 2014 (the “Indenture”), by and between the Agency and U.S. Bank Trust National Association (the “Trustee”). The Agency and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Agency and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission 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 Agreement 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 Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean the Executive Director of the Agency or his or her designee, or such other officer or employee as the Agency shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Agency.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 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 Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters 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.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Agency’s fiscal year (the end of the Agency’s fiscal year is currently June 30), commencing with the report for the 2013-14 fiscal year, provide to the MSRB and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with the first sentence of this subsection (b). The Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Agency and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall, to the extent information is known to it, file a report with the Agency and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

SECTION 4. Content of Annual Reports. The Agency’s Annual Report shall contain or include by reference the following (as of June 30 next preceding the Annual Report date or the most recent readily available information):

(a) A postaudit of the financial transactions and records of the Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Agency 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 Agency’s postaudit is not available by the time the Annual Report is required to be filed

pursuant to Section 3(a), the Annual Report shall contain an unaudited statement of financial transactions and records of the Agency in a format required by Section 34177(n) of the Dissolution Act, and the postaudit shall be filed in the same manner as the Annual Report when they become available.

(b) Financial information and operating data relating to the Project Area contained in the Official Statement for the Bonds under the headings “THE PROJECT AREA – Largest Taxpayers,” “THE PROJECT AREA – Appeals” and “TAX REVENUES – Schedule of Historical Tax Revenues.”

(c) An update of the debt service coverage tables shown on pages _____ of the Official Statement using the most recent Fiscal Year Tax Revenues without additional growth through maturity.

(d) A listing of the amount of each distribution from the Los Angeles County Auditor-Controller of property tax revenues from the Redevelopment Property Tax Trust Fund received by the Agency for its enforceable obligations for the most recent Fiscal Year, as reasonably available 15 business days prior to the due date of each Annual Report.

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 Agency or related public entities, which are available to the public on the MSRB’s Internet Web site or filed with the Securities and Exchange Commission.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this section, upon the occurrence of any of the following events (in each case to the extent applicable) with respect to the Bonds, the Agency shall give, or cause to be given by so notifying the Dissemination Agent in writing and instructing the Dissemination Agent to give, notice of the occurrence of such event, in each case, pursuant to Section 5(c) hereof:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Bond Owner, if material;
4. optional, contingent or unscheduled calls, if material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with

respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

8. unscheduled draws on the debt service reserves reflecting financial difficulties;
9. unscheduled draws on the credit enhancements reflecting financial difficulties;
10. substitution of the credit or liquidity providers or their failure to perform;
11. release, substitution or sale of property securing repayment of the Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings of the Agency, which shall occur as described below;
13. appointment of a successor or additional trustee or the change of name of a trustee, if material, or;
14. the consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency 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, if material.

For these purposes, any event described in item 12 of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Agency in a proceeding under the United States 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 Agency, or if such jurisdiction has been assumed by leaving the existing governing 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 Agency.

(b) Upon receipt of notice from the Agency and instruction by the Agency to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, contact the Disclosure Representative, inform such person of the event, and request that the Agency promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, “actual knowledge” of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with regular

responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The Agency, or the Dissemination Agent, if the Dissemination Agent has been instructed by the Agency to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten business days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The Agency's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, 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 any notice or report prepared by the Agency pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be U.S. Bank Trust National Association. The Dissemination Agent may resign by providing thirty days' written notice to the Agency. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Agency. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Agency in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Agency and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Agency) provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the 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 Agency.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Agency shall

have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11. Default. In the event of a failure of the Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner 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 Agency or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. Article VI of the Indenture pertaining to the Trustee is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they 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 shall be paid compensation by the Agency for its services provided hereunder in accordance with its schedule of fees as amended 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 hereunder and shall not be deemed to be acting in any fiduciary capacity for the Agency, the Bond Owners, or any other party. The Dissemination Agent shall not have any liability to the Bond Owners or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from this Disclosure Agreement. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

By _____
Executive Director

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: Tax Allocation Refunding Bonds, Series 2014A

and

Tax Allocation Refunding Bonds, Series 2014B
(Federally Taxable)

Date of Issuance: _____, 2014

NOTICE IS HEREBY GIVEN that the Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2014, with respect to the Bonds. [The Agency anticipates that the Annual Report will be filed by _____.]

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent
on behalf of the Agency

cc: Agency

1 of the Former CDC and otherwise unwinds the Former CDC's affairs as confirmed
2 by Resolution No. 2012-1 adopted by the City on February 6, 2012; and

3 **WHEREAS**, the Successor Agency's affairs are subject to the review and
4 approval by a seven-member oversight board pursuant to Section 34179 (the
5 "Oversight Board), which was formed and had its initial meeting on May 3, 2012; and

6 **WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary
7 responsibilities to holders of enforceable obligations and the taxing entities that
8 benefit from distributions of property tax and other revenues pursuant to Section
9 34188 of Part 1.85 of the Dissolution Law; and

10 **WHEREAS**, among other provisions of Assembly Bill No. 1484, Section
11 34177.5 of the Dissolution Law provides a mechanism to refund outstanding bonds
12 or other indebtedness under certain circumstances; and

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

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

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

22 **WHEREAS**, by the adoption of Ordinance No. 372-NS on December 2, 1984,
23 the City duly established its Santa Fe Redevelopment Project in accordance with the
24 Law, as then applicable; and

25

1 **WHEREAS**, the Oversight Board is informed that by the adoption of
2 Ordinance No. 468-NS on February 5, 1990, the Former CDC merged its Central
3 Business District Redevelopment Project, Industrial Redevelopment Project and
4 North Redevelopment Project (as merged, the “Merged Redevelopment Project”) for
5 the purposes of allocating Tax Revenues, such that Tax Revenues allocated to the
6 Former CDC attributable to each of the redevelopment projects so merged may be
7 allocated to the Merged Redevelopment Project for the purpose of paying certain
8 existing indebtedness or to refinance such indebtedness; and

9 **WHEREAS**, the Oversight Board is informed by the Successor Agency that,
10 in 2004, the Huntington Park Public Financing Authority (the “HPPFA”), for the
11 benefit of the Former CDC, issued its Huntington Park Public Financing Authority
12 Refunding Revenue Bonds, 2004 Series A (the “Series 2004 Bonds”) in the
13 aggregate principal amount of \$55,875,000, payable from principal and interest
14 payments on the Huntington Park Redevelopment Agency Merged Redevelopment
15 Project Tax Allocation Refunding Bonds (the “2004 CDC Bonds”) attributable to the
16 Merged Redevelopment Project, which Series 2004 Bonds and 2004 CDC Bonds
17 are subject to optional redemption on any date on or after September 1, 2014 at a
18 redemption price equal to 102% of the outstanding principal amount thereof, plus
19 interest due thereon to the date fixed for redemption; and

20 **WHEREAS**, the Oversight Board is informed by the Successor Agency that
21 the Series 2004 Bonds are further supported by payments under the Assistance
22 Agreement (the “2004 Assistance Agreement”) dated June 1, 2004 by and between
23 the Former CDC and the City; and

24 **WHEREAS**, the Oversight Board is informed by the Successor Agency that
25 current costs of the 2004 Bonds include a transferred proceeds penalty due to the

1 Internal Revenue Service in an amount up to \$3.4 million, which amount will be due
2 and payable at, and not later than 60 days following, the refunding of the 2004
3 Bonds, which amount may be paid (1) as costs of the refunding or (2) from funds
4 advanced by the City pursuant to a loan agreement with the Successor Agency or
5 the County Treasurer, in each case to be repaid from funds on deposit in the
6 RPTTF; and

7 **WHEREAS**, the Oversight Board is informed by the Successor Agency that,
8 to the extent not approved by the California Department of Finance as a cost of the
9 refunding, the Successor Agency has determined that it is necessary and
10 appropriate to enter into a Successor Agency Loan Agreement (the “Loan
11 Agreement”), by and between the City and the Successor Agency, in order that the
12 Successor Agency may comply with its obligation to pay the transferred proceeds
13 penalty due to the Internal Revenue Service, if and in the amount advanced by the
14 City (which Loan Agreement may include a market rate of interest), as an
15 Enforceable Obligation of the Successor Agency; and

16 **WHEREAS**, the Oversight Board is informed by the Successor Agency that,
17 in 2007, the Former CDC executed and delivered (1) a Loan Agreement (Santa Fe)
18 (the “2007 Loan Agreement”) dated as of February 1, 2007 by and between the
19 Former CDC and Union Bank of California, N.A. and (2) an Amended and Restated
20 Reimbursement Agreement (the “2007 Reimbursement Agreement”) dated October
21 10, 2007 by and between the Former CDC and the City in connection with a private
22 placement to All Points Public Funding, LLC of a lease, the Huntington Park Public
23 Financing Authority All Points Lease (the “Series 2007 Obligation” and, together with
24 the 2007 Loan Agreement, the 2007 Reimbursement Agreement, the 2004 CDC
25 Bonds, the 2004 Assistance Agreement and the Series 2004 Bonds, the “Prior

1 Obligations”), executed between the City and the HPPFA, as amended on October
2 10, 2007, in the approximate aggregate principal amount of \$6,575,000, the lease
3 payments under which, by operation of the 2007 Reimbursement Agreement, are
4 payable from tax increment revenues attributable to the Santa Fe Redevelopment
5 Project, which Series 2007 Obligation is not subject to tender but by agreement with
6 All Points Public Funding, LLC may be subject to tender by agreement wherein the
7 Successor Agency would repurchase the Series 2007 Obligation on a date to be
8 agreed at a purchase/tender price projected to equal 101% of the purchased
9 principal amount thereof, plus interest due thereon to the date fixed for redemption;
10 and

11 **WHEREAS**, the Successor Agency has indicated that there are potential debt
12 service savings that can be achieved through a refinancing of all or a portion of the
13 Prior Obligations, and the Oversight Board now wishes to direct the Successor
14 Agency to prepare for the refunding of all or a portion of the Prior Obligations, to
15 achieve debt service savings or otherwise comply with the terms of California Health
16 and Safety Code Section 34177.5 including Section 34177.5(a)(1); and

17 **WHEREAS**, Section 34177.5(a)(1) of the Dissolution Law authorizes
18 successor agencies to refund outstanding bonds or other indebtedness to be
19 refunded provided that (i) the total interest cost to maturity on the refunding bonds or
20 other indebtedness plus the principal amount of the refunding bonds or other
21 indebtedness shall not exceed the total remaining interest cost to maturity on the
22 bonds or other indebtedness to be refunded plus the remaining principal of the
23 bonds or other indebtedness to be refunded, and (ii) the principal amount of the
24 refunding bonds or other indebtedness shall not exceed the amount required to
25

1 defease the refunded bonds or other indebtedness, to establish customary debt
2 service reserves, and to pay related costs of issuance; and

3 **WHEREAS**, pursuant to Section 34177.5(f) of the Dissolution Law, the
4 Oversight Board has by its actions on August 14, 2014 requested that the Successor
5 Agency prepare to issue refunding bonds to refund all or a portion of the Prior
6 Obligations; and

7 **WHEREAS**, the Oversight Board is informed by the Successor Agency that it
8 has determined to issue its Tax Allocation Refunding Bonds, Series 2014, in one or
9 more series and with such other name and series designation as shall be deemed
10 appropriate (the "Refunding Bonds"), for the purpose of (i) refunding all or a portion
11 of the Prior Obligations, (ii) paying the costs of issuing the Refunding Bonds
12 including reasonable staff costs; (iii) funding a reserve account for the Refunding
13 Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a
14 surety to fund the reserve account for the Refunding Bonds in lieu of funding all or a
15 portion of such reserve account with bond proceeds; and

16 **WHEREAS**, the Refunding Bonds will be issued pursuant to an Indenture of
17 Trust (the "Indenture") by and between the Successor Agency and U.S. Bank
18 National Association, as trustee (the "Trustee"); and

19 **WHEREAS**, the Oversight Board is informed by the Successor Agency that it
20 has determined that any remaining proceeds of the Prior Obligations (the "Prior
21 Proceeds") that are not intended to be spent by the Successor Agency in a manner
22 consistent with the respective bond covenants applicable to the Prior Obligations
23 and AB 1484, shall be used to defease and/or refund the applicable Prior
24 Obligations and/or to fund a debt service reserve account for the Refunding Bonds;
25 and

1 **WHEREAS**, by its action and direction on or about August 14, 2014, the
2 Oversight Board, pursuant to Section 34177.5(f) of the Dissolution Law, has
3 previously directed the Successor Agency to issue bonds to refund the Prior
4 Obligations of the Former CDC to provide debt service savings to the Successor
5 Agency; and

6 **WHEREAS**, an oversight board may only direct such a refunding so long as
7 the successor agency is able to recover its related costs in connection with the
8 transaction; and

9 **WHEREAS**, the costs associated with the issuance of refunding bonds
10 include the services of an underwriter, bond counsel, and fiscal consultant, which
11 professional services are expected to be contingent upon the issuance of the
12 refunding, except for the consultant serving as financial advisor, whose consultant
13 fees--estimated at an amount not to exceed \$60,000--will be owed even if the
14 refunding bonds are not issued; and

15 **WHEREAS**, the recovery of such costs in connection with such a refunding
16 transaction shall be supplemental to, and not constrained by, the administrative cost
17 allowance as such allowance is defined in Section 34171(b) of the Dissolution Law;
18 and

19 **WHEREAS**, the Successor Agency was requested to return to the Oversight
20 Board, once the refunding issue and related documents have been prepared, for
21 approval of the refunding pursuant to Section 34180(b) of the Dissolution Law; and

22 **WHEREAS**, the Successor Agency has indicated that there are potential debt
23 service savings that can be achieved through a refinancing of the Prior Obligations,
24 and the Oversight Board now wishes to direct the Successor Agency to prepare for
25

1 the refunding of all or a portion of the Prior Obligations to achieve debt service
2 savings; and

3 **WHEREAS**, in connection with the purpose stated above, the Successor
4 Agency desires that the Successor Agency and the trustee and holder, respectively,
5 for the 2004 CDC Bonds, the 2004 Assistance Agreement, 2007 Loan Agreement,
6 the 2007 Reimbursement Agreement and the Series 2007 Obligation, as escrow
7 agent (the "Escrow Agent"), enter into a separate escrow agreement with respect to
8 each of such obligations (each, an "Escrow Agreement"), pursuant to which the
9 Successor Agency will provide the Escrow Agent with money and/or investment
10 securities sufficient to prepay or redeem, as applicable, and refund all or a portion of
11 the Prior Obligations in accordance with the terms thereof (resulting in the refunding
12 of all or a portion of the Series 2004 Bonds and the Series 2007 Obligation); and

13 **WHEREAS**, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"),
14 has submitted to the Successor Agency a proposed form of an agreement to
15 purchase each series of the Refunding Bonds (the "Bond Purchase Agreement") by
16 and between the Underwriter and the Successor Agency; and

17 **WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of
18 1934 requires that, in order to be able to purchase or sell the Refunding Bonds, the
19 underwriters thereof must have reasonably determined that the Successor Agency,
20 as an obligated person, has undertaken in a written agreement or contract for the
21 benefit of the holders of the Refunding Bonds to provide disclosure of certain
22 financial information and operating data and certain enumerated events on an
23 ongoing basis; and

24 **WHEREAS**, in order to cause such requirement to be satisfied, the
25 Successor Agency desires to execute one or more continuing disclosure

1 agreements (each, a “Continuing Disclosure Agreement”) by and among the
2 Successor Agency, the Trustee, pursuant to which the Authority and the Successor
3 Agency will provide annual disclosure and notices in the event of certain
4 enumerated events; and

5 **WHEREAS**, following the adoption of this Resolution, the Successor Agency
6 is authorized to and will, with the assistance of Bond Counsel and its Financial
7 Advisor, cause to be prepared a form of Official Statement describing the Refunding
8 Bonds, the Successor Agency, its Merged Redevelopment Project and Santa Fe
9 Project Area, and such other project areas as may be relevant, and certain other
10 information deemed material to an informed investment decision respecting the
11 Refunding Bonds, the preliminary form of which will be submitted to the Successor
12 Agency for approval at a later date for distribution by the Underwriter to persons and
13 institutions interested in purchasing the Refunding Bonds, which form may be
14 revised as necessary to carry out the purposes of this Resolution; and

15 **WHEREAS**, the Refunding Bonds, the Indenture, the Escrow Agreements,
16 the Bond Purchase Agreement, the Loan Agreement and the Continuing Disclosure
17 Agreement are referred to in this Resolution as the “Primary Bond Documents”; and

18 **WHEREAS**, the Successor Agency has approved all matters relating to the
19 issuance and sale of the Refunding Bonds; and

20 **WHEREAS**, the Oversight Board now desires to approve all matters relating
21 to the issuance and sale of the Refunding Bonds as required by Sections 34177.5(f)
22 and 34180 of the Dissolution Law.

23 **NOW THEREFORE, THE CITY OF HUNTINGTON PARK OVERSIGHT**
24 **BOARD DOES HEREBY RESOLVE AS FOLLOWS:**

1 **Section 1. Recitals.** The recitals set forth above are true and correct and
2 are incorporated into this Resolution by this reference.

3 **Section 2. Approval of Refunding; Use of Prior Proceeds.** The Primary
4 Bond Documents, in substantially the form presented at this meeting with such
5 changes therein as the Successor Agency Officer or Successor Agency Officers
6 executing the same may require or approve upon consultation with the City
7 Attorney/General Counsel to the Successor Agency and/or upon consultation with
8 special bond counsel, are hereby approved, and the issuance of the Refunding
9 Bonds for the purposes set forth herein and subject to the requirements of Section
10 34177.5(a)(1) of the Dissolution Law is hereby approved.

11 The Oversight Board hereby further determines that remaining Prior
12 Proceeds, if any, that are not intended to be spent by the Successor Agency in a
13 manner consistent with the respective bond covenants applicable to the Prior
14 Obligations and the Dissolution Law, shall be used to defease and/or refund the
15 applicable Prior Obligations and/or to fund a debt service reserve account for the
16 Refunding Bonds.

17 The Successor Agency has filed with the Oversight Board a certified copy of
18 its Resolution No. _____, adopted on September 17, 2014, together with a summary
19 debt service savings analysis, which is hereby approved as demonstrating the
20 potential savings that may result from the refunding of all or a portion of the Prior
21 Obligations.

22 **Section 3. Recovery of Costs.** The Oversight Board hereby authorizes and
23 approves the Successor Agency to recover reasonable related costs incurred in
24 connection with or related to this transaction, including the cost of Successor
25 Agency staff time. The Successor Agency may recover such costs from the

1 proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue its
2 bonds or incur other indebtedness to refund the bonds or other indebtedness, by
3 including cost of the financial advisor in a future Recognized Obligation Payment
4 Schedule., in an amount not to exceed \$60,000. For the purpose of expending such
5 proceeds, Section 34177.3 of the Dissolution Law and other provisions relating to
6 Recognized Obligation Payment Schedules (the "ROPS") and shall not apply. If the
7 Successor Agency is not able to issue the Refunding Bonds, the Successor Agency
8 may recover such costs by including such costs in one or more future ROPS. The
9 recovery of such costs shall be in addition to and shall not count against any
10 administrative cost allowance of the Successor Agency as such allowance is defined
11 in Section 34171(b) of the Dissolution Law.

12 The Successor Agency shall be entitled to receive its full allocation of the
13 Administrative Cost Allowance under Section 34183(a)(3) of the Dissolution Law
14 without any deductions with respect to continuing costs related to the Refunding
15 Bonds, trustee fees and expenses, auditing, financial advisor and fiscal consultant
16 fees and continuing disclosure and rating agency costs (collectively, "Compliance
17 Costs"), and such Compliance Costs shall be payable from property tax revenues
18 pursuant to Section 34183 of the Dissolution Law.

19 **Section 4. Executive Director Acting for Successor Agency.** The City
20 Manager acting for the Oversight Board is hereby authorized to take whatever
21 actions may be necessary to carry out the purposes of this Resolution pursuant to
22 the Dissolution Law.

23 **Section 5. Secretary to Successor Agency.** The Secretary to the City of
24 Huntington Park Oversight Board shall certify to the passage of this Resolution and
25

1 enter it into the book of original resolutions and take any other actions and/or
2 perform any other duties required by law.

3 **Section 6. Severability.** If any provision of this Resolution or the application
4 of any such provision to any person or circumstance is held invalid, such invalidity
5 shall not affect other provisions or applications of this Resolution that can be given
6 effect without the invalid provision or application, and to this end the provisions of
7 this Resolution are severable. The Oversight Board declares that the Oversight
8 Board would have adopted this Resolution irrespective of the invalidity of any
9 particular portion of this Resolution; provided that the Successor Agency's recovery
10 of its costs related to the potential and/or actual Refunding Bonds shall be and
11 remain a primary objective and condition of the Oversight Board's request
12 hereunder.

13 **Section 7. Effective Date.** Pursuant to Section 34179(h) of the Dissolution
14 Law, all actions taken by the Oversight Board may be reviewed by the California
15 Department of Finance (the "Department of Finance") and, therefore, this Resolution
16 shall be effective five (5) business days after notice to the Department of Finance
17 unless the Department of Finance requests a review of the actions taken in this
18 Resolution, in which case this Resolution will be effective upon approval (including
19 as may be deemed approved under the law) by the Department of Finance.

20
21 PASSED, APPROVED AND ADOPTED by the City of Huntington Park Oversight
22 Board this ____ day of September, 2014, by the following vote:

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24 _____
25 CHAIR, OVERSIGHT BOARD

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ATTEST:

Estevan Padilla, Deputy Clerk
Los Angeles County Board of Supervisors Acting as Secretary to the Huntington
Park Oversight Board

1 COUNTY OF LOS ANGELES) SS

2 CITY OF HUNTINGTON PARK)

3
4 I, Estevan Padilla, Secretary of the Oversight Board, DO HEREBY CERTIFY
5 that the foregoing Oversight Board Resolution No. OSB 2014-__ was duly adopted
6 by the Oversight Board and approved by the Chair at a meeting of said Oversight
7 Board held on the ___ day of September, 2014 and that it was so adopted as
8 follows:

9 AYES:

10 NOES:

11 ABSENT:

12 ABSTAINING:

13
14 Dated:

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18 _____
19 Estevan Padilla, Deputy Clerk
20 Los Angeles County Board of Supervisors Acting as
21 Secretary to the Huntington Park Oversight Board
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