

RESOLUTION NO. OB-2015-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Gonzales Redevelopment Agency (the “Former Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent “Section” references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the “Dissolution Law”) to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, pursuant to Section 34179, this Oversight Board (this “Oversight Board”) has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Former Agency issued its Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2003, dated as of October 21, 2003 in the amount of \$8,575,000; and Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2011, dated as of June 14, 2011 in the amount of \$1,535,000 (the “Prior Bonds”); for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Prior Bonds are currently outstanding in the principal amount of \$8,275,000; and

WHEREAS, the Successor Agency adopted a resolution on June 1, 2015, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding; and

WHEREAS, in connection with the foregoing direction, the Successor Agency adopted a resolution (the “Agency Resolution,” a copy of which is attached to this Resolution as Exhibit A) authorizing the issuance of bonds to be designated “Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds” (the “Bonds”) to refund all or a portion of the Prior Bonds (the “Refunded Bonds”), a copy of which has been presented to the Oversight Board for approval; and

WHEREAS, pursuant to the Agency Resolution, the Successor Agency has approved an indenture with U.S. Bank National Association, as trustee (the “Trustee”) providing for the issuance of the Bonds (the “Indenture”) a copy of which has been presented to the Oversight Board for its review and approval.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency of the Gonzales Redevelopment Agency as follows:

Section 1. Recitals Incorporated. The Recitals set forth above are true and correct, and are incorporated herein by reference.

Section 2. Approval of Successor Agency Actions. Subject to the approval of the State of California Department of Finance, the Oversight Board hereby approves the following actions of the Successor Agency:

(a) the issuance of the Bonds, either as a single issue or in separate series, as the Successor Agency shall determine; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of the Bonds plus the principal amount of the Bonds do not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance;

(b) the sale of the Bonds as described in the Agency Resolution; and

(c) the execution and delivery of the Indenture; and

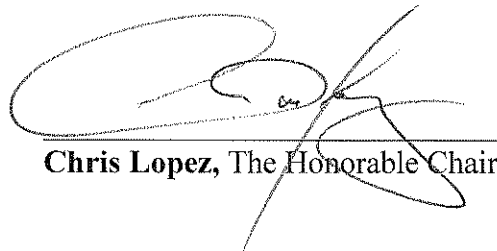
(d) all other actions of the Authorized Officers (as defined in the Agency Resolution) of the Successor Agency authorized in the Agency Resolution.

Section 3. Filing of Documents. The Board Secretary to the Successor Agency is hereby authorized and directed to file the Agency Resolution and the Indenture, together with a certified copy of this Resolution of the Oversight Board, as provided in Sections 34179(h) and 34180 (j) with the Monterey County Auditor-Controller and the State of California Department of Finance.

Section 4. Additional Authorizations. The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary to expedite the process of review of the refunding transaction described in the Agency Resolution by the State of California Department of Finance.


PASSED AND ADOPTED at a regular meeting of the governing board of the Oversight Board of the Successor Agency to the Gonzales Redevelopment Agency on the 16th day of June, 2015 by the following vote:

AYES:	BOARD MEMBERS:	Vice Chair Matt Gourley, Scott Funk, Rene Mendez, and Chair Chris Lopez
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	Jayanti Addleman and Sara Perez
ABSTAIN:	BOARD MEMBERS:	None



Chris Lopez, The Honorable Chair

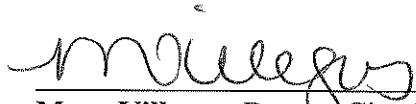
ATTEST:



Rene L. Mendez, Secretary

I, the undersigned Deputy City Clerk, hereby certify that the foregoing is a full, true and correct copy of Resolution No. OB-2015-03, as passed and adopted by the Oversight Board of the Successor Agency to the Gonzales Redevelopment Agency at a regular meeting duly held on the 16th day of June, 2015 and that the same has not been amended or revoked.

Dated: June 16, 2015



Mary Villegas, Deputy City Clerk

EXHIBIT A

RESOLUTION NO. SA-2015-09

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
GONZALES REDEVELOPMENT AGENCY
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS,
APPROVING THE FORM OF INDENTURE IN CONNECTION
THEREWITH, AND AUTHORIZING ACTIONS RELATED THERETO**

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Gonzales Redevelopment Agency (the “Former Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent “Section” references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the “Dissolution Law”) to clarify that successor agencies are separate legal entities from their sponsoring city or county; and

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

WHEREAS, prior to its dissolution, the Former Agency issued its Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2003, dated as of October 21, 2003 in the amount of \$8,575,000; and Gonzales Redevelopment Project Tax Allocation Bonds, Issue of 2011, dated as of June 14, 2011 in the amount of \$1,535,000 (collectively, the “Prior Bonds”); for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Prior Bonds are currently outstanding in the principal amount of \$8,275,000 and

WHEREAS, Section 34177.5 permits the Successor Agency to refinance the Prior Bonds, provided that certain savings and other parameters are met; and

with the terms of the Indenture, as executed. Such execution as herein provided shall be a sufficient and binding execution of the Bonds by the Successor Agency.

Section 5. General Authorization. The Board hereby authorizes and directs the Authorized Officers, and each of them, for and in the name of and on behalf of the Board, to obtain the necessary approvals from the Oversight Board and the State of California Department of Finance, and to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds, to make any changes to the forms of the Indenture approved in this Resolution as necessary or desirable to comply with the terms of municipal bond insurance or private placement of the Bonds, obtaining a reserve fund surety, obtaining subordination of pass-through payments and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved in all respects.

Section 6. Effective Date. This Resolution shall take effect immediately upon its passage.

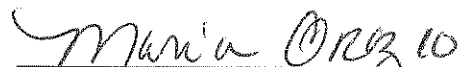
PASSED AND ADOPTED at a regular meeting of the Successor Agency of the Gonzales Redevelopment Agency held on the 15th day of June 2015 by the following vote:

AYES: **SUCCESSOR AGENCY MEMBERS:** Vice Chair Liz Silva, Scott Funk, Robert Bonincontri, and Chair Maria Orozco


NOES: **SUCCESSOR AGENCY MEMBERS:** None

ABSTAIN: **SUCCESSOR AGENCY MEMBERS:** None

ABSENT: **SUCCESSOR AGENCY MEMBERS:** Jose G. Lopez


Maria Orozco, The Honorable Chair

ATTEST:


René L. Mendez, Successor Agency Secretary

I, the undersigned Deputy City Clerk, hereby certify that the foregoing is a full, true and correct copy of Resolution No. SA-2015-09, as passed and adopted by the City of Gonzales, acting as the Successor Agency for the Gonzales Redevelopment Agency at a regular meeting duly held on the 15th day of June, 2015 and that the same has not been amended or revoked.

Dated: June 15, 2015


Mary Villegas, Deputy City Clerk

INDENTURE

between

U.S. BANK NATIONAL ASSOCIATION

as Trustee

and the

SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY

Dated as of _____, 2015

relating to the
Successor Agency to the Gonzales Redevelopment Agency
2015 Tax Allocation Refunding Bonds

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INDENTURE

This INDENTURE dated as of _____, 2015, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), and the SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY, a public body, corporate and politic, duly established and existing under the Constitution and laws of the State of California (the “Agency”), as successor agency to the Gonzales Redevelopment Agency (the “Former Agency”);

W I T N E S S E T H:

WHEREAS, the Former Agency was established under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Redevelopment Law”);

WHEREAS, a Redevelopment Plan for the Gonzales Redevelopment Project Area (the “Project Area”) in the City of Gonzales, California, was adopted in compliance with all requirements of the Redevelopment Law;

WHEREAS, the Agency is the designated successor entity to the Former Agency and is authorized to transact business and exercise powers under the Redevelopment Law and the provisions of Part 1.85 of the California Health and Safety Code (the “Dissolution Law”), including the power to issue bonds under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code to refund bonds issued by the Former Agency;

WHEREAS, to finance and refinance redevelopment activities within or of benefit to the Project Area, the Former Agency previously issued its Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2003, and Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2011 (the “Prior Bonds”);

WHEREAS, prudent management of the fiscal affairs of the Agency requires that the Agency issue refunding bonds under the provisions of Article 11 (Sections 53580 and following) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code to refund the outstanding Prior Bonds;

WHEREAS, to provide funds to refinance the Prior Bonds, the Agency has duly authorized the creation, execution, and delivery of its bonds of substantially the tenor hereinafter provided designated its “Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds” (the “Bonds”);

WHEREAS, the Agency has determined that:

(A) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds do not exceed the total remaining interest cost to maturity on the Prior Bonds plus the remaining principal of the Prior Bonds, and

(B) the principal amount of the Bonds does not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, the Agency has determined to enter into this Indenture in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds shall be issued and secured and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Indenture has in all respects been duly and validly authorized by resolutions duly passed and approved by the Agency and the Oversight Board of the Successor Agency to the Gonzales Redevelopment Agency (the "Oversight Board");

WHEREAS, the actions of the Oversight Board regarding the issuance of the Bonds have been duly reviewed and approved by the California Department of Finance, as stated in a letter from the Department of Finance dated _____, 20__; and

WHEREAS, concurrently with the issuance of the 2011 Bonds, the Agency issued its Gonzales Redevelopment Agency Lease Revenue Refunding Bonds (Police Station Project), Issue of 2011 (the "Lease Revenue Bonds") in the amount of \$4,440,000; and

WHEREAS, the Agency has entered into a reimbursement agreement with the City to reimburse the City with available Tax Revenues for amounts paid by the City under the Lease Revenue Bonds; and

WHEREAS, the Agency desires, when feasibly possible, to refund the Lease Revenue Bonds as Parity Debt under this Indenture; and

WHEREAS, the Agency has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Indenture do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, in order to secure the payment of the principal of and the interest and premium, if any, on the Bonds issued, authenticated and delivered hereunder and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes hereinafter expressed, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Agency does hereby agree and covenant with the Trustee for the benefit of the Owners, from time to time, of the Bonds, or any part thereof, as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

Additional Revenues means, as of the date of calculation, the amount of Tax Revenues which, as shown in the Statement of the Agency, are estimated to be receivable by the Agency within the Fiscal Year following the Fiscal Year in which such calculation is made, as a result of increases in the assessed valuation of taxable property in the Project Area due to inflation at an assumed annual inflation rate of two percent (2%). For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the Project Area is estimated to increase above the assessed valuation of taxable property in the Project Area (as evidenced in the written records of the County) as of the date on which such calculation is made.

2003 Bonds means the \$8,575,000 Gonzales Redevelopment Agency Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2003.

2003 Indenture means the Indenture of Trust by and between Gonzales Redevelopment Agency and US Bank National Association dated as of October 1, 2003 for the issuance of the 2003 Bonds.

2011 Bonds means the Gonzales Redevelopment Agency Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2011.

2011 Indenture means the Indenture of Trust by and between Gonzales Redevelopment Agency and US Bank National Association dated as of June 1, 2011 for the issuance of the 2011 Bonds.

Agency means the Successor Agency to the Gonzales Redevelopment Agency, as successor agency to the Former Agency.

Agency Board means the governing board of the Agency.

Annual Debt Service means for each Bond Year, the aggregate amount (without duplication) of principal of (including mandatory sinking fund payments) and interest on the Bonds and any Parity Debt to which reference is made becoming due and payable. Interest payments on the Bonds and any Parity Debt shall be excluded from the calculation of Annual Debt Service to the extent such interests payments are to be paid from the proceeds of the Bonds or any Parity Debt held by the Trustee or other fiduciary as funded (capitalized) or pre-issuance accrued interest specifically to pay such interest.

[Bond Insurer means _____.]

Bond Register has the meaning stated in Section 2.4 (Bond Register).

Bond Year means the one-year period ending on each September 1, except that the first Bond Year shall begin on the Closing Date and shall end on September 1, 2015.

Bonds means the Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds, issued hereunder.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed or on which the Federal Reserve System is closed.

Certificate, Statement, Request, Requisition, and Order of the Agency mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the Agency by its Chair, Executive Director, Finance Officer, or Secretary, or any other person authorized by the Executive Director or Finance Officer to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.5 (Form and Content of Documents Delivered to Trustee), each such instrument shall include the statements provided for in Section 1.5 (Form and Content of Documents Delivered to Trustee).

City means the City of Gonzales, California, a municipal corporation duly organized and existing under the Constitution and laws of the State.

Closing Date means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds.

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

Corporate Trust Office or **corporate trust office** means the corporate trust office of the Trustee at [One California Street, Suite 2550, San Francisco, CA 94111, Attention: Global Corporate Trust Services], except that with respect to presentation of the Bonds for payment or for registration of transfer and exchange or surrender and cancellation such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, or such other address specified by the Trustee from time to time, or such other or additional offices as may be designated by the Trustee.

Costs of Issuance means all items of expense directly or indirectly payable by or reimbursable to the Agency and related to the original authorization, execution, sale, and delivery of the Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee and its counsel, other legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge, or fee in connection with the original delivery of the Bonds.

Costs of Issuance Fund means the fund by that name established pursuant to Section 3.2 (Establishment and Application of Costs of Issuance Fund).

County means the County of Monterey, a political subdivision of the State.

Defeasance Securities means the following:

(A) United States Treasury Certificates, Notes, and Bonds (including State and Local Government Series -- "SLGS").

(B) Direct obligations of the Treasury that have been stripped by the Treasury itself, CATS, TGRS, and similar securities.

(C) The interest component of Resolution Funding Corp. (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

(D) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by Standard & Poor's. If, however, the pre-refunded bonds are rated by Standard & Poor's but are not rated by Moody's, then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or Aaa-rated pre-refunded municipal bonds.

(E) Obligations issued or guaranteed by the following agencies that are backed by the full faith and credit of the U.S.:

- (1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
- (2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- (3) Federal Financing Bank
- (4) General Services Administration
Participation certificates
- (5) U.S. Maritime Administration
Guaranteed Title XI financing
- (6) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

Depository means initially DTC; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositaries, or no such depositaries, as the Agency may designate in a Certificate delivered to the Trustee.

Depository System Participant means any participant in the Depository's book-entry system.

Dissolution Law means Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code (commencing with Section 34170), and the acts amendatory thereof and supplemental thereto.

DTC means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attn: Call Notification Department, Fax (212) 855-7232, and its successors and assigns.

Escrow Agreement means the Escrow Agreement dated as of _____, 2015, between the Agency and [U.S. Bank National Association], as escrow agent, providing for the refunding of the Prior Bonds.

Event of Default means any of the events specified in Section 10.1 (Events of Default).

Financial Obligation means any indebtedness of the Agency (including any installment purchase and lease obligations) that (i) in accordance with generally accepted accounting principles is classified as a liability on a balance sheet and (ii) has a final maturity more than one year after the date of creation thereof.

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other 12-month period hereafter selected and designated as the official fiscal year period of the Agency.

Former Agency means the Gonzales Redevelopment Agency, a public body corporate and politic duly organized under the Redevelopment Law and then dissolved under the Dissolution Law.

Governmental Authority means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

Indenture means this Indenture dated as of _____, 2015, between the Trustee and the Agency, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions hereof.

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

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

Information Services means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system at www.emma.msrb.org, or, such other service designated in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or no such services, as the Agency may designate in a Certificate delivered to the Trustee.

Interest Account means the account by that name established and held by the Trustee pursuant to Section 6.4 (Revenue Fund; Allocation of Moneys).

Interest Payment Date means March 1 and September 1 of each year during the term of the Bonds, commencing March 1, 2016.

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, N.A., at its principal office in The City of New York, 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, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

Lease Revenue Bonds means the Gonzales Redevelopment Agency Lease Revenue Refunding Bonds (Police Station Project), Issue of 2011.

Material Adverse Effect means a consequence that is materially adverse to (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Agency, (b) the ability of the Agency to carry out its business in the manner conducted as of the date of this Indenture or to meet or perform its obligations under this Indenture on a timely basis, or (c) the validity or enforceability of this Indenture.

Material Governmental Proceedings means any investigation, inquiry, or similar proceeding by any Governmental Authority that may have a Material Adverse Effect.

Material Litigation means any action, suit, proceeding, inquiry or investigation against the Agency in any court or before any arbitrator of any kind or before or by any Governmental Authority, that (i) if determined adversely to the Agency, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated by this Indenture, or (iii) may adversely affect (A) the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the Agency to perform its obligations under this Indenture.

Maximum Annual Debt Service means, as of the date of any calculation, the largest Annual Debt Service during the current or any future Bond Year.

Moody's means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, 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 the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Agency.

Municipal Advisor means a person that (i) provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, or (ii) undertakes a solicitation of a municipal entity.

Nominee means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11 (Book-Entry System).

Opinion of Bond Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes, selected by the Agency.

Outstanding, means the aggregate amount of Bonds authenticated and delivered by the Trustee under this Indenture except (1) Bonds cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds discharged in accordance with Section 5.2 (Discharge of Liability on Bonds); or (3) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture.

Oversight Board means the Oversight Board of the Successor Agency to the Gonzales Redevelopment Agency, which was established pursuant to Health and Safety Code section 34179.

Owner(s) means, as of any date, the Person or Persons in whose name or names a particular Bond is registered on the Bond Register as of such date.

Parity Debt means any loans, bonds, notes, advances, or indebtedness payable from Tax Revenues on a parity with the Bonds and issued or incurred pursuant to and in accordance with the provisions of Section 7.2 (Parity Debt).

Parity Debt Instruments means any resolution, indenture of trust, trust agreement or other instrument authorizing the issuance or incurrence of any Parity Debt.

Participating Underwriter has the meaning ascribed thereto in the Continuing Disclosure Certificate.

Payment Date means each Interest Payment Date and each Principal Payment Date.

Permitted Investments means any securities in which funds of the Agency may now or hereafter be legally invested as provided by applicable law in effect at the time of such investment, subject to any limitations imposed by the investment policy approved by the governing body of the Agency, but without regard to any limitations contained therein concerning the maximum percentage limitations for any particular investment. Permitted Investments also include (a) money market funds, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian,

notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee, and (b) investment agreements, including guaranteed investment contracts.

Person means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Policy means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

Principal Account means the account by that name established and held by the Trustee pursuant to Section 6.4 (Revenue Fund; Allocation of Moneys).

Principal Payment Date means September 1 of each year during the term of the Bonds, commencing September 1, 2016.

Prior Bonds means the outstanding Gonzales Redevelopment Agency Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2003, and Gonzales Redevelopment Agency Gonzales Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2011 issued pursuant to the Indentures of 2003 and 2011.

Prior Indentures means the 2003 Indenture and the 2011 Indenture.

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

Rebate Fund means the fund by that name established pursuant to Section 8.6 (Federal Income Tax Covenants).

Recognized Obligation Payment Schedule means the document defined in Health and Safety Code section 34171(g) that sets forth the minimum payment amounts and due dates of payments required by the Agency's enforceable obligations for each six-month (or twelve-month, if permitted) fiscal period and is to be submitted in accordance with Health and Safety Code section 34177(m).

Redemption Account means the account by that name established pursuant to Section 6.4 (Revenue Fund; Allocation of Moneys).

Redemption Price means, with respect to the Bonds (or portion thereof) the principal amount of the Bonds (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of the Bonds and this Indenture.

Redevelopment Law means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000), and the acts amendatory thereof and supplemental thereto.

Redevelopment Obligation Retirement Fund means the fund established and held by the Agency, which is referred to in Section 6.2 (Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues).

[**Redevelopment Plan** means the Redevelopment Plan for the Gonzales Redevelopment Project approved by Ordinance No. 2000-01 enacted by the City Council of the City on July 6, 2000, together with any additional amendments thereof at any time duly authorized under the Redevelopment Law.]

Redevelopment Property Tax Trust Fund means the fund by that name established pursuant to Section 34170.5 (a) of the Redevelopment Law and administered by the County auditor-controller.

Refunding Bond Act means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

Regular Record Date means the fifteenth day of the calendar month prior to an Interest Payment Date.

Remaining Tax Increment Revenues means as of any date of calculation (A) the Tax Revenues remaining and available to be received by the Agency under the Redevelopment Plan's cumulative tax increment limitation, less (B) subordinated amounts to be paid for property tax administrative fees and pass-through payments.

Reserve Account means the account by that name established pursuant to Section 6.8 (Funding and Application of Reserve Account).

Reserve Facility means any letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee pursuant to Section 6.8 (Funding and Application of Reserve Account).

Reserve Policy means the Municipal Bond Debt Service Reserve Insurance Policy issued by BAM, constituting a Reserve Facility hereunder, for deposit into the Reserve Account.

Reserve Requirement means, as of any date of calculation, the least of (i) Maximum Annual Debt Service on the Bonds then Outstanding, (ii) 125% of average Annual Debt Service on the Bonds then Outstanding and (iii) 10% of the initial proceeds of the Bonds.

Responsible Officer means any officer within the corporate trust department (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee with responsibility for matters related to this Indenture.

Revenue Fund means the "Revenue Fund" established and held by the Trustee, which referred to in Section 6.4 (Revenue Fund; Allocation of Moneys).

Security Documents means all bond documents including this Indenture, the Bonds and/or any additional or supplemental document executed in connection with the Bonds.

Standard & Poor's means Standard & Poor's, a division of The McGraw-Hill Companies, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Agency.

Special Record Date for the payment of any defaulted interest on the Bonds means a date fixed by the Trustee pursuant to Section 2.7 (Payment of Interest on Bonds; Interest Rights Preserved).

State means the State of California.

Supplemental Indenture means any indenture hereafter duly executed and delivered, supplementing, modifying, or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate means the tax certificate delivered by the Agency at the time of the issuance and delivery of the Bonds, as the same may be further amended or supplemented in accordance with its terms.

Tax Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable to or issued thereunder.

Tax Revenues means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Law, and transferred to the Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding all amounts required to be paid by the Agency pursuant to negotiated senior tax-sharing agreements.

Trustee means [U.S. Bank National Association], a national banking association organized and existing under the laws of the United States of America, or its successor as Trustee as provided in Section 11.8 (Removal and Resignation; Appointment of Successor).

Section 1.2. Acts of the Owners. Any request, consent, or other instrument required or permitted by this Indenture to be signed and executed by any Owner may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owner in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Agency if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent, or other instrument acknowledged to him the execution

thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

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

Any request, consent, or other instrument or writing of the Owners of any Bond shall bind every future Owners of such Bond and the Owners of such Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Agency in accordance therewith or reliance thereon.

Section 1.3. Notices, etc., to Agency and Trustee. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Corporate Trust Office. Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed to the Agency at 147 Fourth Street, Gonzalez, CA 93926, Attention: Executive Director (or such other address as may have been filed in writing by the Agency with the Trustee).

Section 1.4. Notices to the Owners; Waiver. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.5. Form and Content of Documents Delivered to Trustee. Every certificate or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto, (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the Agency may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an Independent Accountant, a Municipal Advisor or an Independent Fiscal Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Independent Accountant, a Municipal Advisor or an Independent Fiscal Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Agency) upon a certificate or opinion of or representation by an officer of the Agency, unless such counsel, Independent Accountant, a Municipal Advisor or an Independent Fiscal Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Agency,

or the same counsel, or Independent Accountant, a Municipal Advisor or an Independent Fiscal Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, Independent Accountants, Municipal Advisors or Independent Fiscal Consultants may certify to different matters, respectively.

Section 1.6. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Indenture.

Section 1.7. Successors and Assigns. Whenever in this Indenture either the Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.8. Benefits of Indenture. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Agency, the Trustee, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Agency, the Trustee, and the Owners of the Bonds.

Section 1.9. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a Supplemental Indenture, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.10. No Personal Liability for Debt Service. No Agency Board member, officer, agent, or employee of the Agency or the Trustee shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Agency Board member, officer, agent, or employee of the Agency or the Trustee from the performance of any official duty provided by law or by this Indenture.

Section 1.11. Separability Clause. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality, or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one

or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 1.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

Section 1.13. Execution in Several Counterparts. This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**ARTICLE II
TERMS AND ISSUANCE OF THE BONDS**

Section 2.1. Terms and Form of the Bonds.

(A) Authorization and Title of the Bonds. The Agency hereby authorizes the issuance of bonds in the principal amount of \$[_____]. The title of the Bonds shall be “Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds” At any time after the execution and delivery of this Indenture, the Agency may execute and the Trustee shall authenticate and deliver the Bonds upon the Order of the Agency.

(B) Terms of the Bonds. The Bonds shall be dated its date of delivery and shall be issued in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof in substantially the form attached hereto as Exhibit A. The Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
2015	\$	%
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		

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

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Regular Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before the first Regular Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.2. Execution of the Bonds. The Bonds shall be executed in the name and on behalf of the Agency by the Chair of the Agency, whose signature shall be attested by the Secretary. The signature of any officer on the Bonds may be facsimile or manual. The Bonds shall then be delivered to the Trustee for authentication.

In case any of the officers who shall have signed the Bonds shall cease to be such officer or officers of the Agency before the Bonds so signed shall have been authenticated, or delivered by the Trustee, or issued by the Agency, the Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery, and issue, shall be as binding upon the Agency as though those who signed the same had continued to be such officers of the Agency. The Bonds may be signed and attested on behalf of the Agency by such persons as at the actual date of execution of the Bonds shall be the proper officers of the Agency although at the nominal date of the Bonds any such person shall not have been such officer of the Agency.

Except as may be provided in any Supplemental Indenture, the Bonds shall not be valid or entitled to the benefits of this Indenture unless there appears on the Bonds a certificate of authentication substantially in the form provided for herein, manually executed by the Trustee. Such certificate of authentication when manually executed by the Trustee shall be conclusive evidence, and the only evidence, that the Bonds have been duly executed, authenticated, and delivered hereunder.

Section 2.3. Transfer of Bonds.

Transfer shall be made upon the books required to be kept pursuant to the provisions of Section 2.4 (Bond Register) hereof, in person or by the duly authorized attorney of such person, upon surrender of the Bonds to the Agency for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Agency.

Whenever any Bond shall be surrendered for transfer, the designated Agency officials shall execute (as provided in Section 2.2 (Execution of Bonds) hereof) and deliver a new Bond. The Agency shall require the payment by the Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of the Bonds shall be required to be made by the Agency during the period from the close of business on the Regular Record Date next preceding any Payment Date to and including such Payment Date.

Section 2.4. Bond Register. The Trustee will keep or cause to be kept at its Corporate Trust Office a record of the registration and transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Agency, upon reasonable prior notice to the Trustee. 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 Bond Register, the Bonds as hereinbefore provided.

Section 2.5. Redemption.

(A) General Redemption Provisions. The Bonds shall be subject to redemption as provided in Article IV (Redemption of Bonds).

(B) Optional Redemption. The Bonds maturing on or after September 1, ____ are subject to redemption on or after September 1, _____, at the option of the Agency, from any source of available funds, on any date, as a whole or in part, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

(C) Mandatory Sinking Fund Redemption. The Bonds maturing September 1, 2036 shall be subject to mandatory sinking fund redemption in part, by lot, commencing on September 1, 2032, from mandatory sinking fund payments set aside in the Revenue Fund, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the aggregate respective principal amounts and on the dates set forth below:

**Sinking Fund
Redemption Date
(September 1)**

**Principal Amount
To Be Redeemed**

\$

†

† Final maturity

If some but not all of such Bonds have been redeemed pursuant to subsection (B) above the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments as determined by the Agency (notice of which determination shall be given by the Agency to the Trustee).

Section 2.6. Mutilated, Destroyed, Stolen or Lost Bonds. If (i) a mutilated Bond is surrendered to the Trustee, or the Agency and the Trustee receive evidence to their satisfaction of the destruction, loss, or theft of the Bonds, and (ii) there is delivered to the Agency and the Trustee such security or indemnity as may be required by them to save each of them harmless, then the Agency shall execute, and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bonds, a new Bond of like tenor and the same principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of a new Bond under this Section, the Agency may require payment of a sum sufficient to pay the cost of preparing the Bonds, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

If, after the delivery of such replacement Bond, the original Bond in lieu of which the replacement Bond was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee or the Agency in connection therewith.

Section 2.7. Payment of Interest on Bonds; Interest Rights Preserved. Interest on the Bonds that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Owners thereof as of the close of business on the Regular Record Date for such interest specified in the provisions of this Indenture.

Any interest on the Bonds that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to such Owners on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose names the Bonds are registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee. In the name and at the expense of the Agency, the Trustee shall cause notice of the payment of such defaulted interest and the Special Record Date to be mailed,

first-class postage prepaid, to such Owners at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, a new Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of the Bond shall carry all the rights to interest accrued and unpaid, and to accrue, that were carried by such Bond. Any such Bond shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

Section 2.8. Persons Deemed Owners. The Agency and the Trustee shall be entitled to treat the person in whose names the Bonds are registered as the owners thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Agency. The ownership of the Bonds shall be proved by the Bond Register.

Section 2.9. Cancellation. If surrendered for payment, redemption, transfer, or exchange, if surrendered to the Trustee, such Bond shall be promptly cancelled by the Trustee and, if surrendered to any person other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by the Trustee.

The Agency shall deliver any Bonds to the Trustee for cancellation if it acquired in any manner by the Agency, and the Trustee shall promptly cancel such Bonds.

No Bonds shall be authenticated in lieu of or in exchange for any Bonds if cancelled as provided in this Section, except as expressly provided by this Indenture. The Trustee shall destroy the cancelled Bonds.

Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the Agency.

Section 2.10. Validity of Bonds. The recital in the Bonds that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in its issuance.

Section 2.11. Book-Entry System. The Bonds, when initially issued, shall be fully registered book-entry bonds, with a single fully registered bond representing each maturity of the Bonds, and the ownership of each Bond, when initially issued, shall be registered in the name of Cede & Co. With respect to book-entry Bonds, the Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which such a Depository System Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Depository System Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Depository System Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Depository System Participants of the beneficial interests in book-entry Bonds to be redeemed in the event the Agency redeems such in part, or (iv) the payment of any Depository System Participant or any other person, other than an

Owner as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Agency and the Trustee may treat and consider the person in whose name each is registered in the Bond Register as the absolute Owner of such for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Agency to make payments of principal, premium, if any, and interest pursuant hereto. Upon delivery by the Depository to the Trustee and the Agency of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to record dates, the term Nominee herein shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the Agency and the Trustee shall execute and deliver to the Depository a letter of representations as may be required by the Depository. The execution and delivery of such letter shall not in any way impose upon the Agency or the Trustee any obligation whatsoever with respect to persons having interests in such Bonds other than the Owners, as shown on the Bond Register. In addition to the execution and delivery of such letter, the Agency and the Trustee shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Agency will discontinue the book-entry system with the Depository. If the Agency determines to replace the Depository with another qualified securities depository, the Agency shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of such Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Agency fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate in accordance with provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in the foregoing paragraph or as otherwise instructed by the Depository.

**ARTICLE III
APPLICATION OF PROCEEDS**

Section 3.1. Application of Proceeds of the Bonds. The proceeds of the sale of the Bonds of \$_____, less the amount of \$_____ which the Underwriter shall wire to the Bond Insurer as payment of the premiums for the Policy and Reserve Policy, shall be deposited, together with \$_____ on deposit in the reserve fund for the Prior Bonds, with the Trustee and shall be set aside or transferred by the Trustee as follows:

(A) The Trustee shall transfer \$_____ to the escrow agent under the Escrow Agreement for deposit in the escrow fund established thereunder.

(B) The Trustee shall deposit \$_____ in the Costs of Issuance Fund (created by Section 3.2 (Establishment and Application of Costs of Issuance Fund)).

The Trustee may establish a temporary fund or account in its records to facilitate such deposit and transfer.

Section 3.2. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain, and hold a separate fund designated as the “Costs of Issuance Fund.” The moneys in the Costs of Issuance Fund shall be applied by the Trustee to pay the Costs of Issuance of the Bonds, upon a Requisition filed with the Trustee, in 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. All interest, profits, and other income received from the investment of moneys in the Costs of Issuance Fund shall be deposited therein. At the end of six (6) months from the date of issuance of the Bonds, or upon an earlier determination by the Agency that amounts in such fund are no longer required for the payment of Costs of Issuance, the Trustee shall transfer any remaining amounts in such fund to the Agency and the Costs of Issuance Fund shall be closed.

**ARTICLE IV
REDEMPTION OF BONDS**

Section 4.1. Notice to Trustee. In the case of any redemption at the election of the Agency of the Outstanding Bonds or any portion thereof as provided herein, the Agency shall at least forty-five (45) days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Trustee, in the sole discretion of the Trustee), notify the Trustee of such redemption date, and the principal amount of the Bonds to be redeemed.

Section 4.2. Notice of Redemption.

(A) Mailed Notice. The Trustee, on behalf of and at the expense of the Agency, shall mail notice of redemption not fewer than thirty (30) nor more than sixty (60) days prior to the redemption date, to (i) the Owners at their address appearing on the Bond Register and (ii) the Depository and the Information Services. Notice of redemption to the Owners shall be given by first class mail.

(B) **Content of Notice.** Each notice of redemption shall state (1) the date of such notice, (2) the date of issue of the Bonds, (3) the redemption date, (4) the Redemption Price, (5) the place or places of redemption (including the name and appropriate address or addresses of the Trustee), and, (6) in the case of a redemption in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also (a) state that on said date there will become due and payable on the Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a redemption in part only, together with interest accrued thereon to the date fixed for redemption, (b) state that from and after such redemption date interest thereon shall cease to accrue, and (c) shall require that the Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Section 4.3. Deposit of Redemption Price. Prior to any redemption date, the Agency shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of the Bonds to be redeemed on that date plus interest accrued to the date of redemption. Such money shall be held for the benefit of the person entitled to such Redemption Price.

Section 4.4. Bonds Payable on Redemption Date. Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Bonds or portion thereof to be redeemed plus interest accrued to the date of redemption being held by the Trustee, on the redemption date designated in such notice (i) the Bonds or portion thereof to be redeemed shall become due and payable at the Redemption Price specified in such notice plus interest accrued to the date of redemption, (ii) interest on the Bonds or portion thereof shall cease to accrue, (iii) the Bonds or portion thereof shall cease to be entitled to any benefit or security under this Indenture, and (iv) the Owners shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest. Upon surrender of the Bonds for redemption in accordance with said notice, the Bonds or portion thereof shall be paid by the Trustee at the Redemption Price plus (if the redemption date is not an Interest Payment Date) interest accrued to the date of redemption. Installments of interest due on or prior to the Redemption Date shall be payable to the Owners on the relevant Regular Record Dates according to the term of the Bonds and the provisions of Section 2.7 (Payment of Interest on the Bonds; Interest Rights Preserved).

Section 4.5. Bonds Redeemed in Part. Upon surrender of the Bonds redeemed in part only, the Agency shall execute and the Trustee shall authenticate and deliver to the Owners thereof, at the expense of the Agency, a new Bond or Bonds of authorized denomination, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond or Bonds surrendered.

Section 4.6. Right to Rescind Notice. The Agency may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners. Any optional redemption and notice thereof shall be rescinded if, for any reason, on the date fixed for redemption monies are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owners of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

**ARTICLE V
DEFEASANCE**

Section 5.1. Discharge of Indenture.

(A) Payment of Bonds. The Bonds may be paid in any of the following ways:

(1) by paying or causing to be paid the principal of and interest on the Bonds, as and when the same become due and payable;

(2) by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 5.3 (Deposit of Money or Securities with Trustee)) to pay or redeem the Bonds; or

(3) by delivering the Bonds to the Trustee for cancellation.

(B) Consequence of Payment of Bonds. If the Agency shall pay all of the Bonds Outstanding and also pay or cause to be paid all other sums payable hereunder by the Agency, then and in that case, at the election of the Agency, evidenced by a Certificate of the Agency filed with the Trustee signifying the intention of the Agency to discharge all such indebtedness and this Indenture, and notwithstanding that the Bonds shall not have been surrendered for payment, this Indenture, the pledge of Tax Revenues and other assets made hereunder, all covenants and agreements and other obligations of the Agency under this Indenture, and the rights and interests created hereby (except as to any surviving rights of transfer or exchange of the Bonds as provided in Section 2.4 (Bond Register) and rights to payment from moneys deposited with the Trustee as provided in Section 5.2 (Discharge of Liability on Bonds)) shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this Indenture, the obligations to the Trustee under Section 11.6 (Compensation and Indemnification of Trustee), and the covenants of the Agency to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes contained in Section 8.6 (Federal Income Tax Covenants) shall survive.

(C) Delivery of Excess Funds. If the Agency shall deliver excess funds in connection with the payment of all of the Bonds Outstanding and all other sums payable hereunder by the Agency, upon Request of the Agency, the Trustee shall cause an accounting for such period or periods as may be requested by the Agency to be prepared and filed with the Agency and shall execute and deliver to the Agency all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign, or deliver to the Agency all moneys or securities or other property held by it pursuant to this Indenture that, as evidenced by a verification report (upon which the Trustee may conclusively rely) from an Independent Accountant, are not required for the payment or redemption of the Bonds not theretofore surrendered for such payment or redemption; subject to the provisions of Section 8.6 (Federal Income Tax Covenants) and the Tax Certificate with respect to moneys in the Rebate Fund.

(D) Notice of Defeasance. If moneys or Defeasance Securities are deposited with and held by the Trustee as provided in this Article, the Trustee shall within thirty (30) days after such money and Defeasance Securities shall have been deposited with it mail a notice, first class postage prepaid, to the Owners at the addresses listed on the Bond Register, (a) setting forth the maturity date

or date fixed for prepayment, as the case may be, of the Bonds deemed paid, (b) giving a description of the Defeasance Securities, if any, so held by it, and (c) stating, as applicable, that this Indenture has been discharged and/or all liability of the Agency in respect of the Bonds has been discharged, in accordance with the provisions of this Article.

Section 5.2. Discharge of Liability on the Bonds. Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or Defeasance Securities in the necessary amount (as provided in Section 5.3 (Deposit of Money or Securities with Trustee)) to pay any Outstanding Bonds (whether upon or prior to its maturity or the redemption date of the Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV (Redemption of Bonds) provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), then all liability of the Agency in respect of such Bonds shall cease, terminate, and be completely discharged, except that thereafter (i) the Owners thereof shall be entitled to payment of the principal of and premium, if any, and interest on such Bonds by the Agency and the Agency shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 5.4 (Earnings on Moneys Unclaimed After Payment of the Bond) and (ii) the Owners thereof shall retain its rights of transfer or exchange of such Bonds as provided in Section 2.4 (Bond Register).

Section 5.3. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem the Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(A) Cash: cash held in certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by the FDIC in an amount equal to the principal amount of the Bonds and all unpaid interest thereon to maturity, except that, in the case of the Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV (Redemption of Bonds) provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of the Bonds and all unpaid interest thereon to the redemption date; or

(B) Securities: Defeasance Securities the principal of and interest on which when due will, together with the cash (if any) deposited with or held by the Trustee at the same time, provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date, as the case may be, on (and any redemption premium on) the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of the Bonds that are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV (Redemption of Bonds) provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, (a) that the Agency shall have delivered to the Trustee a report of an Independent Accountant (upon which report the Trustee may conclusively rely) verifying that the cash and/or Defeasance Securities deposited are in the required amounts and (b) that the Trustee

shall have been irrevocably instructed (by the terms of this indenture or by Request of the Agency) to apply such money to the payment of such principal or Redemption Price of and interest on the Bonds.

Section 5.4. Earnings on Moneys Unclaimed After Payment of Bonds. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on the Bonds, whether at redemption or maturity, shall be held for the account of the Owners thereof and the Trustee shall not be required to pay such Owners any interest on, or be liable to such Owners or any other person (other than the Agency) for any interest earned on moneys so held.

Section 5.5. Notice of Defeasance. If any Bonds are to be paid and discharged pursuant to Section 5.1(A)(2), the Trustee shall within thirty (30) days after the money or Defeasance Securities shall have been deposited with it mail a notice, first class postage prepaid, to the Owners at the addresses listed on the Bond Register, (a) setting forth the maturity date or date fixed for redemption, as the case may be, of such Bonds, (b) giving a description of the Defeasance Securities, if any, held by it, and (c) stating that this Indenture has been released in accordance with the provisions of this Section.

ARTICLE VI

PLEDGE OF TAX REVENUES; ESTABLISHMENT AND APPLICATION OF FUNDS

Section 6.1. Pledge of Tax Revenues. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Agency hereby pledges to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with its terms and the provisions of this Indenture, (i) all of the Tax Revenues and (ii) with respect to the Bonds, any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to this Indenture (except for amounts held in the Rebate Fund).

This pledge constitutes a first lien on and security interest in the Tax Revenues and other assets for the payment of the Bonds in accordance with its terms. Except for the Tax Revenues and such moneys, no funds or properties of the Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds. This pledge of Tax Revenues is for the exclusive benefit of the Bonds and any Parity Debt and shall be irrevocable until all of the Bonds has been paid and retired or until moneys have been set aside irrevocably for that purpose.

The Agency shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the Tax Revenues and other assets that ranks prior to or on a parity with the pledge granted under this Indenture, or file any financing statement describing any such pledge, assignment, lien, or security interest, except as expressly permitted under this Indenture. The Agency represents and warrants that, other than the pledge of the Tax Revenues that secures the Bonds, neither the Former Agency nor the Agency has heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Tax Revenues that ranks on a parity with or prior to the pledge of Tax Revenues granted under this Indenture.

Section 6.2. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.

The Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Dissolution Law, which the Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding. The Agency agrees that, so long as any of the Bonds remains Outstanding, it will deposit Tax Revenues in the Redevelopment Obligation Retirement Fund in accordance with the requirements of Section 9.6 (Recognized Obligation Payment Schedule Requirements), until such time during each Bond Year as the amounts on deposit in the Redevelopment Obligation Retirement Fund equal the aggregate amounts required to be transferred to the Trustee under Section 6.4 (Revenue Fund; Allocation of Moneys) and any Parity Debt Instrument.

Section 6.3. Transfer of Tax Revenues to Trustee. So long as any Bond is Outstanding, no later than the fifth (5th) Business Day preceding each Payment Date, the Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit into the Revenue Fund the amounts required by the Trustee to make the transfers required by Section 6.4 (Revenue Fund; Allocation of Moneys) on or before such Payment Date.

Section 6.4. Revenue Fund; Allocation of Moneys.

(A) Revenue Fund. The Trustee shall establish a trust fund known as the “Revenue Fund” (the “Revenue Fund”), which the Trustee shall to hold as a separate fund during the entire term of this Indenture. The Trustee shall promptly deposit all payments received from the Agency in the Revenue Fund promptly upon receipt from the Agency.

(B) Allocation of Moneys. So long as any Bond is Outstanding, the Trustee shall set aside the moneys in the Revenue Fund in the following respective accounts (each of which the Trustee shall establish, maintain, and hold in trust for the benefit of the Owners of the Bonds) in the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of moneys sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority; provided that the Trustee shall set aside or transfer such amounts on a pro rata basis with respect to any outstanding Parity Debt as provided in any Parity Debt Instrument:

(1) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside in the Interest Account an amount that, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on such Interest Payment Date. The Trustee shall also deposit in the Interest Account any other amounts received by it from the Agency designated by the Agency in writing for deposit in the Interest Account.

(2) Principal Account; . On or before each Principal Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Principal Account an amount that, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds on such Principal

Payment Date. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on such Principal Payment Date. The Trustee shall also deposit in the Principal Account any other amounts received by it from the Agency designated by the Agency in writing for deposit in the Principal Account.

(3) Reserve Account. On each Interest Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Reserve Account an amount of money that, after taking into account the then applicable valuation of Permitted Investments in the Reserve Account pursuant to Section 6.9(C) (Investment of Moneys in Funds and Accounts – Valuation of Investments), shall be required to maintain in the Reserve Account an amount equal to the Reserve Requirement. No such deposit need be made to the Reserve Account so long as there shall be on deposit therein a Reserve Facility in a principal amount that, together with any part of the Reserve Account held in cash, at least equal to the Reserve Requirement.

(4) Redemption Account. On or before the Business Day preceding any date on which any Bond is to be redeemed pursuant to Section 2.5 (Redemption of Bonds) the Trustee shall withdraw from the Revenue Fund and deposit in the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date pursuant to Section 2.5(B) (Redemption of Bonds – Optional Redemption), taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Agency designated by the Agency in writing to be deposited in the Redemption Account.

(C) Surplus. The Trustee shall withdraw any moneys remaining in the Revenue Fund on any September 2 after the foregoing transfers described in (1), (2), (3) and (4) of Subsection (B) above and transfer such amounts to the Agency to be used for any lawful purpose of the Agency.

Section 6.5. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on the Bonds if purchased or redeemed prior to maturity pursuant to this Indenture).

Section 6.6. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bonds when due and payable.

Section 6.7. Application of Redemption Account. All moneys deposited for the purpose of optionally redeeming the Bonds shall be deposited in the Redemption Account. All amounts deposited in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming the Bonds in the manner, at the times, and upon the terms and conditions specified in this Indenture.

Section 6.8. Funding and Application of Reserve Account.

(A) On the Closing Date, there shall be deposited to the Reserve Account the Reserve Policy providing for an amount equal to the Reserve Requirement as of the Closing Date.

(B) Substitution of Cash. Provided that there are no outstanding and unpaid amounts due to each issuer of a Reserve Facility, the Agency may at any time substitute cash for all or part of the amount available to be paid to the Trustee under any Reserve Facility delivered pursuant to this Section to satisfy the Reserve Requirement.

(C) Reserve Facilities in Lieu of Cash. In lieu of making all or a portion of the Reserve Requirement deposits in compliance with subsection (B)(3) of Section 6.4 (Revenue Fund; Allocation of Moneys) herein, or in replacement of moneys then on deposit in the Reserve Account, the Agency may deposit one or more Reserve Facilities, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes hereof. Upon substitution by the Agency of any such Reserve Facility, the Trustee shall withdraw from the Reserve Account and transfer to the Agency, free and clear of the pledge hereof, an amount equal to the principal amount of such Reserve Facility.

(D) Replenishment of Draws on Reserve Account and/or Reserve Facility. Notwithstanding any other provision of this Indenture, upon any withdrawal of moneys from the Reserve Account or any draw upon a Reserve Facility for transfer to the Interest Account or the Principal Account, the Trustee shall promptly notify the Agency of the amount of such withdrawal or draw. The Agency shall include on its next Recognized Obligations Payment Schedule the amount required to replenish the Reserve Account to the Reserve Requirement or to make the payments required by the terms of the Reserve Facility or related reimbursement or loan agreement so that the Reserve Facility shall be reinstated in the amount of such drawing. Following a withdrawal of moneys from the Reserve Account for transfer to the Interest Account or the Principal Account, all earnings on the investment of moneys in the Reserve Account shall be retained therein until such time as the amount in the Reserve Account equals and is, thereafter, maintained at the Reserve Requirement. The Agency shall assure that any amount in the Reserve Account in excess of the Reserve Requirement is invested in a manner that will not adversely affect the federal tax-exemption of interest payable on the Bonds (and the Trustee's sole responsibility with respect to any such investment will be to comply with any applicable directions of the Agency).

(E) Application of Reserve Account. The Trustee shall use and withdraw the amounts in the Reserve Account (including all amounts that may be obtained from Reserve Facilities on deposit in the Reserve Account) for the purposes of making up any deficiency in the Interest Account or the Principal Account. If the Trustee draws on or collects under a Reserve Facility, the Trustee shall use amounts deposited in the Reserve Account following such draw or collection to make the payments required by the terms of the Reserve Facility or related reimbursement or loan agreement so that the Reserve Facility shall be reinstated in the amount of such draw or collection. If so directed by the Agency, the Trustee shall use and withdraw the amounts in the Reserve Account held in cash or Permitted Investments to make the payments required to retire the Bonds (by the payment of the Redemption Price of the Bonds or the payment of the final principal and interest payments on the Bonds).

Notwithstanding the foregoing, so long as the Agency is not in default hereunder, any amount held in the form of cash or Permitted Investments in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account by the Trustee at least two (2) Business Days prior to each Interest Payment Date and deposited in the Interest Account to be used to make payments on the Bonds, provided that, for the purpose of any such withdrawal, Permitted

Investments in the Reserve Account shall be valued at the lower of cost or the applicable valuation determined pursuant to Section 6.9(C) (Investment of Moneys in Funds and Accounts – Valuation of Investments).

(F) Draws Upon Reserve Facilities. When and to the extent necessary to apply amounts in the Reserve Account to pay the principal of and interest on the Bonds when due, the Trustee shall first use the portion of the Reserve Account held in cash or Permitted Investments, and then, on a pro rata basis with respect to the portion of the Reserve Account held in the form of Reserve Facilities (calculated by reference to the maximum amounts of such Reserve Facilities), draw or collect under each Reserve Facility, in a timely manner and pursuant to the terms of such Reserve Facility. In the event that the Trustee has notice that any payment of principal of or interest on the Bonds has been recovered from the Owners pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee, pursuant to and provided that the terms of the Reserve Facility, if any, securing the Bonds so provide, shall so notify the issuer thereof and draw or collect under such Reserve Facility to the lesser of the extent required or the maximum amount of such Reserve Facility in order to pay to the Owners the principal and interest so recovered.

Section 6.9. Investment of Moneys in Funds and Accounts.

(A) Investment in Permitted Investments. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested solely as directed by the Agency, solely in Permitted Investments. The Agency shall provide investment direction in writing at least two (2) Business Days prior to the date of investment. The Agency's investment directions shall be subject to the limitations set forth in Section 8.6 (Federal Income Tax Covenants), the maturity limitations set forth in subsection (B) (Maturity of Investments) of this Section, and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Agency. Each investment direction shall contain a certification by the Agency that the investments are "Permitted Investments" as defined in Section 1.1 hereof and the Trustee shall have no duty or obligation to ascertain whether any investment is a Permitted Investment or complies with the Agency's investment policy. If and to the extent the Trustee does not receive investment instructions from the Agency with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Indenture, such moneys shall be invested in money market mutual funds, which may include such funds for which the Trustee or an affiliate provides investment advice or other services, and the Trustee shall hold such funds pending the receipt of written investment instructions. The Trustee or its affiliates may act as agent, principal, sponsor, advisor or depository with regard to any Permitted Investments. The Trustee shall furnish the Agency periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Agency. Upon the Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(B) Maturity of Investments. Moneys in the Reserve Account shall be invested in Permitted Investments with maturities not longer than ten (10) years, the average life of which is no longer than five (5) years. Moneys in the remaining funds and accounts shall be invested in Permitted Investments maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

(C) Valuation of Investments. All Permitted Investments credited to the Reserve Account shall be valued as of each Interest Payment Date at their fair market value determined to the extent practical by reference to the closing bid price thereof published in the Wall Street Journal or any other financial publication or quotation service selected by the Trustee in its discretion. The Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system, and may conclusively rely thereon.

(D) Earnings on Investments. All interest, profits, and other income received from the investment of moneys in any fund or account established hereunder (other than with respect to funds and accounts held by the Agency) shall be retained therein. Notwithstanding anything to the contrary contained in this Article, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account from which such accrued interest was paid.

(E) Commingling Funds for Investment. The Trustee may commingle any of the funds or accounts established pursuant to this Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of the Agency, may impose its customary charge therefor. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

(F) Investment Recordkeeping.

(1) Information to Establish Yield on Investments. The Trustee shall keep proper books of record and accounts containing accurate and correct entries of all transactions made by it relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds and held by the Trustee hereunder. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity.

(2) Information to Establish Purchase and Disposition of Investments at Fair Market Value. The Trustee shall also provide to the Agency, in accordance with a Request of the Agency, with respect to each purchase or sale of a Permitted Investment made by it such documentation as is reasonably available to the Trustee.

Section 6.10. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of 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 shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of the Owners thereof.

Section 6.11. Money Held for the Owners. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to the Bonds (or a portion of the Bonds if redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 5.4 (Earnings on Moneys Unclaimed After Payment of the Bonds).

Section 6.12. Payment of Bonds After Discharge of Indenture. Any moneys held by the Trustee in trust for the payment of the principal of or interest or redemption premium on any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture, if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon Request of the Agency, be repaid to the Agency free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that, before the repayment of such moneys to the Indenture as aforesaid, the Trustee shall (solely at the request and cost of the Agency) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the Bond Register a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Agency of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal of or premium or interest on Bonds, whether at redemption, acceleration, or maturity, shall be held uninvested in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for any interest earned on, moneys so held.

ARTICLE VII ISSUANCE OF REFUNDING OBLIGATIONS AND PARITY DEBT

Section 7.1. Refunding Obligations. The Agency may issue or incur other loans, advances, or indebtedness payable from Tax Revenues to refund any Parity Debt, provided that (a) the Agency complies with the requirements of Health and Safety Code section 34177.5 and (b) Annual Debt Service on the refunding debt in each Bond Year during the term thereof does not exceed the amount of Annual Debt Service that would have been due in such Bond Year on the

refunded debt had it remained Outstanding. The Trustee shall not be responsible for monitoring the Agency's compliance with this Section 7.1 (Refunding Obligations).

Section 7.2. Parity Debt. For purposes of refunding the Bonds or the Lease Revenue Bonds, or in the event that California law is revised so as to permit the Agency to issue additional Parity Debt, the Agency may issue additional Parity Debt, subject to the following specific conditions precedent:

(A) the Agency is in compliance with all covenants set forth in this Indenture and any Parity Debt Instruments;

(B) the Tax Revenues estimated to be received for the then current Fiscal Year based on the most recent assessed valuation of property in the Project Area, as evidenced in writing from the County Assessor or other appropriate official of the County, plus at the option of the Agency the Additional Revenues, are at least equal to one hundred twenty-five (125%) of Maximum Annual Debt Service, including annual debt service on the proposed Parity Debt;

(C) the Parity Debt Instrument providing for the issuance of such Parity Debt provides that interest thereon is payable on March 1 and September 1, and principal thereof is payable on September 1 in any year in which principal is payable;

(D) the issuance of such Parity Debt does not cause the Agency to exceed any applicable Redevelopment Plan limitations; and

(E) the Agency delivers to the Trustee a Certificate of the Agency certifying stating that the conditions precedent to the issuance of such Parity Debt set forth in the foregoing subsections (A), (B), (C) and (D) of this Section have been satisfied.

ARTICLE VIII GENERAL BOND COVENANTS OF THE AGENCY

Section 8.1. Power to Issue Bonds and Make Pledge. The Agency is duly authorized pursuant to the Dissolution Law and the Refunding Bond Act to issue the Bonds and to enter into this Indenture and to pledge and assign the Tax Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the valid and binding limited obligations of the Agency in accordance with their terms.

Section 8.2. Punctual Payment. The Agency will punctually pay or cause to be paid the principal or Redemption Price (whether at maturity or upon optional redemption) and interest to become due in respect of the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof.

Section 8.3. Extension of Time for Payment of the Bonds. The Agency will not directly or indirectly extend or assent to the extension of the maturity of the Bonds or the time of payment of any or claims for interest by the purchase or funding of the Bonds or claims for interest or by any other arrangement. In case the maturity of the Bonds or the time of payment of any such claims for interest shall be extended, the Bonds or claims for interest shall not be entitled, in case of any default

hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of the Bonds and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Agency to issue bonds for the purpose of refunding the Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 8.4. Preservation of Rights of the Owners. The Agency shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge and assignment of Tax Revenues and other assets and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 8.5. Waiver of Laws. The Agency will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Agency to the extent permitted by law.

Section 8.6. Federal Income Tax Covenants.

(A) **General Covenant.** The Agency shall at all times do and perform all acts and things permitted by law and this Indenture that are necessary and desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Agency agrees to maintain or cause to comply with the provisions of the Tax Certificate. This covenant shall survive the defeasance or payment in full of the Bonds.

(B) **Establishment and Application of Rebate Fund.** The Trustee shall establish and maintain a fund designated as the “Rebate Fund” separate from any other fund held by the Trustee. The Trustee shall deposit moneys into (from moneys made available by the Agency) and disburse moneys from the Rebate Fund pursuant to written instructions from the Agency. The Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if it follows the instructions of the Agency, including to supply all necessary information in the manner specified in the Tax Certificate. In the absence of written instructions from the Agency, the Trustee shall not be required to take any action with respect to the Rebate Fund or the Tax Certificate and shall have no liability or responsibility to enforce compliance by the Agency with the terms of the Tax Certificate. All interest, profits, and other income received from the investment of moneys in the Rebate Fund shall be deposited in the Rebate Fund, except as otherwise directed by the Agency.

Section 8.7. Books and Accounts; Financial Statements.

(A) Books and Accounts. The Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners or its representative authorized in writing.

(B) Financial Statements. The Agency will cause to be prepared annually, within two hundred seventy (270) days after the close of each Fiscal Year complete financial statements with respect to such Fiscal Year showing the Tax Revenues, as of the end of such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an Independent Accountant relating thereto. The Agency will furnish a copy of such statements to the Owners upon reasonable written request, at the expense of the Owners. The Trustee shall have no duty to review such financial statements.

Section 8.8. Further Assurances. The Agency will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

**ARTICLE IX
ADDITIONAL COVENANTS OF THE AGENCY RELATING TO
THE TAX REVENUES, THE REDEVELOPMENT LAW,
AND THE DISSOLUTION LAW**

Section 9.1. Maintenance of Tax Revenues. The Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of its Recognized Obligation Payment Schedule with appropriate officials of the County, the Oversight Board, and the State. The Agency shall not enter into any agreement with any other governmental unit, or amend any such agreement, if such agreement or amendment would have the effect of reducing the amount of Tax Revenues available to the Agency for payment of the Bonds, unless in the written opinion of an Independent Fiscal Consultant filed with the Trustee such reduction will not adversely affect the interests hereunder of or the security granted hereunder to the Owners.

Section 9.2. Limitations on Additional Indebtedness. The Agency hereby covenants that, so long as any Bond is Outstanding, the Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, that is in any case secured by a lien on all or any part of the Tax Revenues that is superior to or on a parity with the lien established hereunder for the security of the Bonds, except as permitted by Section 7.1 (Refunding Obligations) or Section 7.2 (Parity Debt).

Section 9.3. Payment of Claims. The Agency will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies that, if unpaid, might become a lien or charge upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or that might impair the security of the Bonds. Nothing herein contained shall require

the Agency to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

Section 9.4. Payments of Taxes and Other Charges. The Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges that may hereafter be lawfully imposed upon the Agency or the properties then owned by the Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity of said taxes, assessments or charges.

Section 9.5. Compliance with the Redevelopment Law and the Dissolution Law. The Agency shall ensure that all activities undertaken by the Agency with respect to the redevelopment of the Project Area are undertaken and accomplished in conformity with all applicable requirements of the Redevelopment Plan, the Redevelopment Law, and the Dissolution Law.

Section 9.6. ROPS Filing Requirements. Semi-annually, not less than 90 days prior to the date of the next January 2 or June 1 property tax distribution date, as applicable, the Agency shall through its Oversight Board approve the Recognized Obligation Payment Schedule for the applicable January through June or July through December six-month period (each, a “**Semiannual Period**”) and timely file the Recognized Obligation Payment Schedule with the appropriate officials of the County, the State Department of Finance and the State Controller. So long as any Bonds are outstanding, the Successor Agency shall include in each Recognized Obligation Payment Schedule: (i) one-half of Annual Debt Service due on all Outstanding Bonds for the Bond Year in which the next Semiannual Period occurs, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture (including any amounts required due to a draw on the Reserve Facility) (the “**Semiannual Payment**”).

In addition, the Agency covenants that in the event that the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund for transfer to the Redevelopment Obligation Retirement Fund on the upcoming January 2 or June 1 is insufficient to fully fund Semiannual Payment due in the following 6-month period, the Agency shall, on or before December 1 or May 1, as applicable, of each year, file a Notice of Insufficiency with the Contra Costa County Auditor-Controller in accordance with the Dissolution Law.

Section 9.7. Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Agency to comply with its obligations under this Section.

Section 9.8. Tax Increment Shortfall. The Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues available in the amounts and at the times required to enable the Agency to pay the principal of and interest and premium (if any) on the outstanding Bonds and any outstanding Parity Debt when due. On or before October 1 of each year commencing October 1, 2015, the Agency shall calculate (i) the total amount of Remaining Tax

Increment Revenues and (ii) future cumulative Annual Debt Service with respect to the Bonds and any Parity Debt. If the Remaining Tax Increment Revenues falls below 110% of the remaining cumulative Annual Debt Service with respect to the Bonds and any Parity Debt, the Agency shall include the amount equal to the amount by which Remaining Tax Increment Revenues in the Bond Year prior to reaching the tax increment limit falls below remaining cumulative Annual Debt Service (the "Shortfall Amount") on future ROPS filings, deposit such additional amount of tax increment revenue received equal to such Shortfall Amount in an escrow account held by the Trustee, and pledge the use of such amounts solely for the purpose of paying (or prepaying) debt service on the Bonds and all Parity Debt ratably, without any discrimination or preference. If the Dissolution Law shall have been amended to clarify that tax increment limits no longer exist, the requirements under this Section shall no longer apply.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES OF THE OWNERS

Section 10.1. Events of Default. The following events shall be Events of Default:

(A) Principal Payment Default: default in the due and punctual payment of the principal or Redemption Price of the Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by mandatory redemption, by proceedings for optional redemption, or otherwise;

(B) Interest Payment Default: default in the due and punctual payment of any installment of interest on the Bonds when and as such interest installment shall become due and payable;

(C) Payment Default on Other Financial Obligations: default in the payment of principal of or interest on any Financial Obligation and continuation of such default beyond any applicable grace period;

(D) Covenant Default: if the Agency shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Agency by the Trustee or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; except that, if in the reasonable opinion of the Agency the failure stated in such notice can be corrected, but not within such 30-day period, the Trustee or the Owners shall not unreasonably withhold its consent to an extension of such time for an additional period of thirty (30) days (or, with the prior approval of the Trustee or the Owners, any additional reasonable period of time) if corrective action is instituted by the Agency within such 30-day period and diligently pursued until such failure is corrected; and

(E) Reorganization or Insolvency: if the 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 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 Agency or of the whole or any substantial part of its property.

Section 10.2. Acceleration of Maturities.

(A) Declaration by Trustee. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may or, upon the receipt of written instructions from the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, upon notice in writing to the Agency, (a) declare the unpaid principal of the Bonds, 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, anything in this Indenture or in the Bonds contained to the contrary notwithstanding; and (b) subject to the provisions of Section 10.4 (Trustee to Represent the Owners), exercise any other remedies available to the Trustee and the Owners in law or at equity. Upon the occurrence of an Event of Default all Tax Revenues under this Indenture shall be immediately deposited with the Trustee.

(B) Notice of Acceleration. Immediately upon obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Agency by telephone, telecopier or other communication device, promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (A), (B), (C), or (E) above the Trustee shall, and with respect to any Event of Default described in clause (D) above the Trustee in its sole discretion may also give such notice by first class mail to the Owners, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

(C) Rescission of Declaration. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of the Bonds due prior to such declaration and all matured installments of interest on the Bonds payment of which is overdue, with interest on such overdue payments of principal and interest installments at the rate borne by the Bonds, and the reasonable fees, charges, and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults of which the Trustee has actual knowledge (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, if such declaration was made by the Trustee in accordance with written instructions of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, upon receipt of written instructions of such Owners, by written notice to the Agency, or, if such declaration was made by the Trustee, the Trustee may, on behalf of the Owners, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 10.3. Application of Money Collected. If an Event of Default shall occur and be continuing, the Trustee shall apply all funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (except as otherwise provided in this Indenture) as follows and in the following order:

(A) To the payment of the costs and expenses of the Trustee in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Indenture and then to the payment of the costs and expenses of the Owners in declaring such Event of Default;

(B) To the payment of the whole amount of principal then due on the Bonds and any Parity Debt (upon presentation of the Bonds and any Parity Debt to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 8.3 (Extension of Time for Payment of Bonds)), with interest on such principal, at the rate or rates of interest borne by the respective Bonds and any Parity Debt as follows:

(1) Unless the principal of the Bonds and any Parity Debt shall have become or have been declared due and payable, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of the Bonds and any Parity Debt that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds and any Parity Debt, and, if the amount available shall not be sufficient to pay in full the Bonds and any Parity Debt due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or interest due on such date to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of the Bonds and any Parity Debt shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds and any Parity Debt, with interest on the overdue principal at the rate or rates borne by the respective Bonds and any Parity Debt, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Section 10.4. Trustee to Represent the Owners. The Trustee is hereby irrevocably appointed (and the Owners, by taking and holding the Bonds, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, this Indenture and applicable provisions of 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, the Trustee in its discretion may, and upon the written request of the Owners and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the 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 the Owners under this Indenture or any law.

Section 10.5. Trustee May Enforce Claims without Possession of the Bonds. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession 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 the Owners, subject to the provisions of this Indenture (including Section 10.6 (Limitation on Suits)).

Section 10.6. Limitation on Suits. 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 this Indenture or any applicable law with respect to the Bonds, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of a majority 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 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 the Owners of any remedy hereunder or under law; its being understood and intended that the Owners shall not have any right in any manner whatever by his action to affect, disturb or prejudice the security of this Indenture or to enforce any right under this Indenture or 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 the Owners, subject to the provisions of this Indenture.

Section 10.7. Unconditional Right of the Owners to Receive Principal, Redemption Price and Interest. Nothing contained in Section 10.6 (Limitation on Suits), in any other provision of this Indenture, or in the Bonds shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the Owners at its date of maturity, or upon call for redemption, as herein provided, or affect or impair the right of the Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 10.8. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 10.9. Delay or Omission Not Waiver. No delay or omission of the Owners to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Indenture or by law to the Owners may be exercised from time to time, and as often as may be deemed expedient, by the Owners.

ARTICLE XI THE TRUSTEE

Section 11.1. Appointment of Trustee. U.S. Bank National Association is hereby appointed as Trustee, paying agent, bond registrar, and authenticating agent for the Bonds under this Indenture and hereby accepts the duties imposed upon it as Trustee hereunder and to perform all the functions and duties of the Trustee hereunder, subject to the terms and conditions set forth in this Indenture.

Section 11.2. Certain Duties and Responsibilities.

(A) Duties When No Default is Continuing. Prior to an Event of Default and after the curing or waiver of all Events of Default that may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee;

(2) in the absence of bad faith on its part the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture.

(B) Duties During Continuance of Event of Default. During the existence of any Event of Default (that has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(C) Immunities of Trustee. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection A of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) 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 relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture;

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to it; and

(5) the Trustee shall not be deemed to have knowledge of any Event of Default (other than an Event of Default described in Sections 10.1(A) or 9.1(B) unless and until the Trustee has received written notice of such an Event of Default at its Corporate Trust Office.

(D) Immunities Applicable to All Provisions of Indenture. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

Section 11.3. Certain Rights of Trustee; Liabilities of Trustee. Except as otherwise provided in Section 11.2 (Certain Duties and Responsibilities):

(A) Reliance on Documents Believed Genuine: the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) Documentation of Agency's Directions: any request or direction of the Agency mentioned herein shall be sufficiently evidenced by a Certificate, Statement, Request, Requisition, or Order of the Agency;

(C) Reliance on Agency Certificate: whenever in the fulfillment of the obligations imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Agency, 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;

(D) Reliance on Advice of Counsel: the Trustee may consult with counsel, including, without limitation, counsel of or to the Agency, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder in good faith and in reliance thereon;

(E) Security or Indemnity: the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of the Owners pursuant to the provisions of this Indenture, including, without limitation, the provisions of Article 10 (Events of Default and Remedies of the Owners) hereof, unless the Owners shall have

offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby;

(F) Investigation of Factual Matters: the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Agency, personally or by agent or attorney.

(G) Performance of Duties by Agents: the Trustee may perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters concerning its duty hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it.

(H) Electronic Communications: the Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(I) Force Majeure: the Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include, but not be limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(J) Permissive Rights: the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 11.4. Trustee Not Responsible for Recitals or Issuance of the Bonds or Application of Proceeds.

(A) Trustee Makes No Representations. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Agency, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond). The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds, as to the sufficiency of the Tax Revenues or the priority of the lien of this Indenture thereon, and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it. The Trustee is not responsible for any official statements or any other offering or disclosure materials prepared with respect to the Bonds.

(B) Trustee Not Responsible for Application of Certain Moneys. The Trustee shall not be responsible for:

(1) the application or handling by the Agency of any Tax Revenues or other moneys transferred to or pursuant to any Requisition or Request of the Agency in accordance with the terms and conditions hereof;

(2) the application and handling by the Agency of any fund or account designated to be held by the Agency hereunder;

(3) any error or omission by the Agency in making any computation or giving any instruction pursuant to Section 8.6 (Federal Income Tax Covenants) hereof and may rely conclusively on any computations or instructions furnished to it by the Agency in connection with the requirements of Section 8.6 (Federal Income Tax Covenants);

(4) the construction, operation, or maintenance of any facilities by the Agency.

Section 11.5. Trustee May Hold Agency Indebtedness. The Trustee may in good faith hold any form of indebtedness of the Agency, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the Agency and make disbursements for the Agency and enter into any commercial or business arrangement therewith, without limitation.

Section 11.6. Compensation and Indemnification of Trustee. The Agency agrees

(A) Compensation: to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder;

(B) Reimbursement: except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provision of this Indenture, all in accordance with the terms of the written agreement between the Agency and the Trustee; and

(C) Indemnification: to indemnify the Trustee for, and to hold it harmless from and against, any loss, liability, or expense (including reasonable legal fees and expenses) incurred

without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trusts created hereby, including the costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Trustee and the obligations of the Agency under this Section shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

Section 11.7. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder, which shall be a trust company, banking association with trust powers, or bank having the powers of a trust company having a corporate trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least seventy-five million dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank, banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purpose of this Section the combined capital and surplus of such bank, banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Article.

Section 11.8. Removal and Resignation; Appointment of Successor.

(A) Effectiveness of Resignation or Removal. No removal or resignation of the Trustee and appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 11.9 (Acceptance of Appointment by Successor) and compliance with the terms of Section 11.7 (Corporate Trustee Required; Eligibility).

(B) Trustee's Right to Resign. The Trustee may resign at any time by giving written notice of such resignation to the Agency. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Agency and the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition 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.

(C) Agency's Right to Remove Trustee. The Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, by giving written notice of such removal to the Trustee.

(D) Removal of Trustee at Request of the Owners. The Agency shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding by giving written notice of such removal to the Trustee.

(E) Mandatory Removal of Trustee. The Agency shall remove the Trustee if at any time:

(1) the Trustee shall cease to be eligible in accordance with Section 11.7 (Corporate Trustee Required; Eligibility) and shall fail to resign after written request therefor by the Agency, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent 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 of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

in each case by giving written notice of such removal to the Trustee.

(F) Appointment of Successor. If the Trustee shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Agency shall promptly appoint a successor Trustee by an instrument in writing. If no successor Trustee shall have been so appointed by the Agency and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the Owners may, by an instrument signed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, appoint a successor Trustee, or may petition 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.

(G) Finance Officer of the Agency to Serve if No Successor Appointed. If, by reason of the judgment of any court, the Trustee or any successor Trustee is rendered unable to perform its duties hereunder, and if no successor Trustee be then appointed, all such duties and all of the rights and powers of the Trustee hereunder shall be assumed by and vest in the Finance Officer in trust for the benefit of the Owners.

(H) Notice of Removal or Resignation. The Agency shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Owners as its name and address appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office. If the Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Agency.

Section 11.9. Acceptance of Appointment by Successor. Any successor Trustee appointed under this Indenture shall execute and deliver to the Agency and to its predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the moneys, rights, and duties of the predecessor Trustee; but, at the Request of the Agency or the request of the successor Trustee, the predecessor Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Trustee all the right, title, and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall duly assign, transfer, and deliver to the successor Trustee all property and money held by the predecessor Trustee hereunder. Upon request of any successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, properties, rights, and duties.

Section 11.10. 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 Section 11.7 (Corporate Trustee Required; Eligibility), shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case the Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated the Bonds.

Section 11.11. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Agency and the Owners, and their agents and representatives duly authorized in writing, at reasonable times and under reasonable conditions.

Section 11.12. Accounting Records. The Trustee will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry practice, in which accurate entries shall be made of all transactions relating to the Bonds and the funds maintained by the Trustee hereunder. Such books of record and account shall be available for inspection by the Agency at reasonable hours with reasonable notice and under reasonable circumstances. The Trustee shall furnish to the Agency, at least monthly, an accounting of all transactions during the applicable accounting period relating to the proceeds of the Bonds and all funds and accounts established pursuant to this Indenture in which assets are held by the Trustee.

ARTICLE XII PROVISIONS RELATING TO THE POLICY AND THE RESERVE POLICY

(TO COME)

ARTICLE XIII MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 13.1. Supplemental Indentures Without Consent of the Owners. This Indenture and the rights and obligations of the Agency, of the Trustee and of the Owners may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Agency may adopt without the consent of any Owners, but only for any one or more of the following purposes:

(A) Additional Security: to add to the covenants and agreements of the Agency contained in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Agency;

(B) Curative Provisions: to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Agency may

deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners;

(C) Trust Indenture Act Qualification: to modify, amend, or supplement this 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 that shall not materially and adversely affect the interests of the Owners;

(D) Reserve Account: to make modifications or adjustments necessary, appropriate, or desirable to accommodate a letter of credit, surety bond, or other financial guaranty to satisfy the Reserve Requirement;

(E) Preservation of Tax Exemption: to make such provisions as are necessary or appropriate to ensure the exclusion of interest on the Bonds from gross income for federal income tax purposes; and

(F) No Material Effect: for any other purpose that does not materially and adversely affect the interests of the Owners.

Section 13.2. Supplemental Indentures with Consent of the Owners. This Indenture and the rights and obligations of the Agency, of the Owners and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Agency and the Trustee may enter into with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owners of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

Section 13.3. Notice of Amendments. Promptly after the execution and delivery by the Trustee and the Agency of any Supplemental Indenture pursuant to this Article, the Trustee shall mail a notice prepared by the Agency setting forth in general terms the substance of such Supplemental Indenture or attaching a copy thereof, to the Owners at the addresses shown on the Bond Register. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 13.4. Execution of Supplemental Indentures. In executing, or accepting the additional duties created by, any Supplemental Indenture permitted by this Article or the modification thereby of the duties created by this Indenture, the Trustee shall be entitled to receive, and, subject to Section 11.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to enter into

any such Supplemental Indenture that affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

Section 13.5. Effect of Supplemental Indentures. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Agency, the Trustee, and the Owners shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 13.6. Endorsement of Bond; Preparation of New Bond. A Bond delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Agency so determines shall, bear a notation by endorsement or otherwise in form approved by the Agency and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owners at the time of such execution and presentation of such Bond for such purpose at the Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, a new Bond so modified as to conform, in the opinion of the Agency and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Agency and authenticated by the Trustee and, upon demand of the Owners and upon surrender for cancellation of such Bond, shall be exchanged at the Corporate Trust Office, without cost to the Owners, for a new Bond in the same principal amount and of the same tenor and maturity.

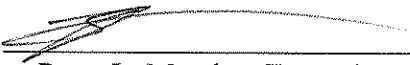
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Indenture by their officers thereunto duly authorized as of the day and year first written above.


U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

**SUCCESSOR AGENCY TO THE GONZALES
REDEVELOPMENT AGENCY**

By:  _____
Rene L. Mendez, Executive Director

ATTEST:



Rene L. Mendez, Secretary

EXHIBIT A

Form of Bonds

Registered

No. R-__

**SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY
GONZALES REDEVELOPMENT PROJECT
2015 Tax Allocation Refunding Bonds**

The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

<u>INTEREST RATE:</u>	<u>ISSUE DATE:</u>	<u>MATURITY DATE:</u>	<u>CUSIP:</u>
____%	_____, 2015	September 1, 20__	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “Agency”), for value received, hereby promises to pay (but only out of the Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner stated above, or registered assigns (the “Registered Owner”), on the Maturity Date stated above, the Principal Sum stated above (subject to any right of prior redemption hereinafter provided for), in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the “Record Date”), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before August 15, 2015, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2016 (each an “Interest Payment Date”), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank National Association, as trustee (the “Trustee”), or at such other place as designated by the Trustee (the “Corporate Trust Office”). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner’s address as it appears on the Bond Register as of the Record Date for which such Interest Payment Date occurs; provided

however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

Interest on this Bond shall cease to accrue (i) on the maturity date hereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount hereof, plus interest accrued hereon to such date; or (ii) on the redemption date hereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the redemption price hereof, plus interest accrued hereon to such date, and premium hereon, if any. The owner of this Bond shall not be entitled to any other payment, and this Bond shall no longer be outstanding and entitled to the benefits of the Indenture, except for the payment of the principal amount or redemption price (and premium, if any), as appropriate, of this Bond together with accrued interest hereon from moneys held by the Trustee for such payment.

The Agency has duly authorized the issuance of this Bond, has designated it as its “Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds” (the “Bonds”), and has issued it in the original principal amount stated above. The Bonds are issued by the Agency pursuant to the provisions of (i) Part 1.85 of Division 24 of the California Health and Safety Code (the “Dissolution Law”), (ii) Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and (iii) an indenture dated as of _____, 2015, between the Trustee and the Agency (as amended and supplemented from time to time, the “Indenture”), for the purpose of providing funds to refund bonds issued to finance redevelopment activities within or of benefit to the Gonzales Redevelopment Project Area.

Reference is hereby made to the Indenture and to the Dissolution Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights of the registered owner of the Bonds. All the terms of the Indenture and the Dissolution Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Indenture.

This Bond and the interest hereon (to the extent set forth in the Indenture) is payable from, and are secured by a pledge of and lien on the Tax Revenues (as defined in the Indenture) derived by the Agency from the Project Area, on a parity with any Parity Debt at any time issued by the Agency and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Tax Revenues are irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, the Redevelopment Law, and the Dissolution Law, to the payment of the principal of and interest and premium (if any) on the Bonds and any such Parity Debt. Notwithstanding the foregoing, certain amounts out of the Tax Revenues may be applied for other purposes as provided in the Indenture.

The Bonds maturing on or after [September 1, ____] are subject to redemption on or after [September 1, ____], at the option of the Agency, from any source of available funds, on any date, as a whole or in part, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

The Bonds maturing [September 1, ____] shall be subject to mandatory sinking fund redemption in part, by lot, commencing on [September 1, ____], in the manner provided in the Indenture.

If some but not all of such Bonds have been redeemed pursuant to optional redemption under the Indenture the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments as determined by the Agency (notice of which determination shall be given by the Agency to the Trustee).

This Bond is not a debt of the City of Gonzales, the State of California, or any of its political subdivisions, and neither the City, the State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than the Tax Revenues.

This Bond is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new fully registered Bond for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Agency, the Trustee, and any paying agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes; and the Agency, the Trustee, and any paying agent shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Bonds.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Agency hereby certifies and recites that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Bond, together with all other indebtedness of the Agency pertaining to the Tax Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of the Bonds permitted to be issued under

the Indenture, the Redevelopment Law, the Dissolution Law, or under the Agency's Redevelopment Plan.

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

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf by its Chair and attested to by its Secretary and this Bond to be dated the date of delivery to the initial purchaser hereof.

**SUCCESSOR AGENCY TO THE
GONZALES REDEVELOPMENT
AGENCY**

By: Maria Orozco
Maria Orozco, Chair

By: [Signature]
Rene L. Mendez, Secretary

CERTIFICATE OF AUTHENTICATION

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

Dated: _____, 2015

[U.S. BANK NATIONAL ASSOCIATION],
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.



Rene L. Mendez, Secretary of the Agency

MEYERS, NAVE, RIBACK, SILVER & WILSON
A Professional Law Corporation
575 Market Street, Suite 2080
San Francisco, California 94105

Successor Agency to the Gonzales Redevelopment Agency
Gonzales, CA

Re: Successor Agency to the Gonzales Redevelopment Agency
2015 Refunding Tax Allocation Bonds

Members of the Governing Board:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Gonzales Redevelopment Agency (the "Agency") of its "Successor Agency to the Gonzales Redevelopment Agency 2015 Tax Allocation Refunding Bonds" (the "Bonds"), in the aggregate principal amount of \$_____ (the "Bonds"), pursuant to an indenture dated as of _____, 2015 (the "Indenture"), between the Agency and [U.S. Bank National Association], as trustee (the "Trustee"). Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the Agency contained in the Indenture and the certified proceedings and upon other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

[We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.]

The opinions expressed herein are based on an analysis of existing statutes, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted to be taken or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions or events are taken or do occur, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Agency. We have not undertaken to verify independently and have assumed the

accuracy of the factual matters represented, warranted or certified in the document and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights of the owners of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or 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 municipal corporations in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed, and delivered by the Agency and are valid and binding special obligations of the Agency, payable solely from the Tax Revenues and any other amounts held in any fund or account (other than the Rebate Fund) established pursuant to the Indenture.

2. The Indenture has been duly executed and delivered by the Agency and is a valid and binding obligation of the Agency. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Tax Revenues and all other amounts held in any fund or account (other than the Rebate Fund) established pursuant to the Indenture, to the extent set forth in the Indenture and subject to the provisions of the Indenture that permit the Agency to apply the Tax Revenues and other amounts for the purposes and on the terms and conditions set forth in the Indenture.

3. The Bonds are limited obligations of the Agency and are not a lien or charge upon the funds or property of the Agency except to the extent of the aforementioned pledge. The Bonds are not a debt of the City of Gonzales, the State of California, or any other political subdivision of the State of California, none of which is liable for the payment thereof.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from personal income taxes of the State of California. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earning when calculating corporate alternative minimum taxable income. The Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under section 265(b)(3) of the Code. We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

In rendering the opinion in paragraph 4, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and

certifications of fact, contained in the Tax Certificate delivered on the date hereof with respect to the use of proceeds of the Bonds and other matters affecting the exclusion of interest on the Bonds in gross income for Federal income tax purposes under Section 103 of the Code, and (ii) compliance by the City with procedures and covenants set forth in the Tax Certificate and with the tax covenant set forth in the Agreement as to such matters. Under the Code, failure to comply with such procedures and covenants may cause the interest on the Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of issuance of the Bonds, irrespective of the date on which such noncompliance occurs or is ascertained.

Other provisions of the Code may give rise to adverse federal income tax consequences to the holder of the Bonds. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

MEYERS, NAVE, RIBACK, SILVER & WILSON,
a Professional Law Corporation

EXHIBIT B


Form of Requisition from Costs of Issuance Fund

SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY

To: [U.S. Bank National Association, as Trustee
One California Street, Suite 2550
San Francisco, CA 94111
Attention: Global Corporate Trust Services]

The undersigned is authorized to submit this requisition pursuant to the terms of the Indenture dated as of _____, 2015, between [U.S. Bank National Association], as Trustee, and the Successor Agency to the Gonzales Redevelopment Agency (the "Agency"). The Agency hereby requests payment of the amounts listed on Schedule I hereto.

Obligations in the stated amounts have been incurred by the Agency and are presently due and payable. Each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from the fund. All payments shall be made by check or wire transfer in accordance with the payment instructions set forth herein and the Trustee may rely on such payment instructions though given by the Agency with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.



Signature of Authorized Officer of the Agency

SCHEDULE I

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