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**INDENTURE OF TRUST**

**by and between**

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH**

**and**

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

**Dated as of \_\_\_\_ 1, 2015**

**relating to**

**\$ \_\_\_\_\_**

**Successor Agency to the Redevelopment Agency of the City of Long Beach  
Tax Allocation Refunding Bonds**

**including**

**\$ \_\_\_\_\_  
Series 2015A**

**\$ \_\_\_\_\_  
Series 2015B (Federally Taxable)**

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**THIS INDENTURE OF TRUST**, dated as of \_\_\_\_\_ 1, 2015 (the “Indenture”), by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH (the “Agency”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in Los Angeles, California, as trustee (the “Trustee”),

**WITNESSETH:**

**WHEREAS**, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the City Council of the City of Long Beach (the “City”) created The Redevelopment Agency of the City of Long Beach (the “Former RDA”); and

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

**WHEREAS**, pursuant to California Health and Safety Code Section 34173(d), the Successor Agency to the Redevelopment Agency of the City of Long Beach is the successor agency established following the dissolution of the Former RDA on February 1, 2012 pursuant to Assembly Bill XI 26 (“AB 26”); and

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

**WHEREAS**, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

**WHEREAS**, the Agency has determined to refund and defease a portion of its obligations under that Indenture of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2006 (as amended, the “2002 Subordinate Downtown Indenture”), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the issuance by the Former RDA of

\$26,820,000 aggregate principal amount of its 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), of which \$11,705,718 is currently outstanding (the “2002 Subordinate Downtown Agency Bonds”), attributable to the Downtown Redevelopment Project, which 2002 Subordinate Downtown Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Agency has determined to refund and defease a portion of its obligations under that Indenture of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2005 and a Second Supplemental Indenture, dated as of February 1, 2006 (as amended, the “2002 North Long Beach Indenture”), each between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the issuance by the Former RDA of \$40,290,000 aggregate principal amount of its 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), of which \$6,374,000 is currently outstanding (the “2002 North Long Beach Agency Bonds”), attributable to the North Long Beach Redevelopment Project, which 2002 North Long Beach Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Agency has determined to refund and defease a portion of its obligations under that Indenture of Trust, dated as of May 1, 2002 (the “2002 West Beach Indenture”), between the Former RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$8,895,000 aggregate principal amount of its 2002 Tax Allocation Bonds (West Beach Redevelopment Project) of which \$2,942,100 is currently outstanding (the “2002 West Beach Agency Bonds”), attributable to the West Beach Redevelopment Project, which 2002 West Beach Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Agency has determined to refund and defease a portion of its obligations under that Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the “2002 Industrial Indenture”), each between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of \$21,860,000 aggregate principal amount of its West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A of which \$18,390,000 is currently outstanding (the “2002 Industrial Agency Bonds”), attributable to the West Long Beach Industrial Redevelopment Project, certain maturities of which 2002 Industrial Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the “2005 Central Indenture”), between the

Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$56,930,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project) of which \$49,895,000 is currently outstanding (the “2005 Central Agency Bonds”), attributable to the Central Long Beach Redevelopment Project, which 2005 Central Agency Bonds are subject to optional redemption in accordance with the 2005 Central Indenture on any date on or after after August 1, 2015 to July 31, 2016 at redemption prices equal, as to certain 2005 Central Agency Bonds, to the outstanding principal amount thereof, without premium and as to other 2005 Central Agency Bonds, to 102% of the outstanding principal amount thereof, plus in each case interest due thereon to the date fixed for redemption; and

**WHEREAS**, the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the “2005 Los Altos Indenture”), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$4,685,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Los Altos Redevelopment Project) of which \$2,135,000 is currently outstanding (the “2005 Los Altos Agency Bonds”), attributable to the Los Altos Redevelopment Project, which 2005 Los Altos Agency Bonds are subject to optional redemption on any date on or after August 1, 2015 to July 31, 2016 at a price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, and

**WHEREAS**, the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the “2005 Poly High Indenture”), by and between the Agency and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$2,557,752.60 aggregate initial principal amount of its 2005 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project) of which approximately \$3,052,015.20 accreted amount is currently outstanding (the “2005 Poly High Agency Bonds”) attributable to the Poly High Redevelopment Project, which 2005 Poly High Agency Bonds are not subject to optional redemption prior to maturity but which bonds the Agency desires to refund to maturity and defease; and

**WHEREAS**, the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the “2005 Subordinate West Beach Indenture”), by and between the Agency and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$839,553.30 aggregate initial principal amount of its 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project) of which approximately \$1,291,068.32 accreted amount is currently outstanding (the “2005 Subordinate West Beach Agency Bonds”) attributable to the West Beach Redevelopment Project, which 2005 Subordinate West Beach Agency Bonds are not subject to optional redemption prior to maturity but which bonds the Agency desires to refund to maturity and defease; and

**WHEREAS**, the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the “2005 Housing Indenture”), between the

Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$55,665,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Housing Projects) of which \$48,830,000 is currently outstanding (the “2005 Housing Bonds”), which 2005 Housing Bonds are subject to optional redemption in accordance with the 2005 Housing Indenture on any date on or after August 1, 2015 to July 31, 2016 at a price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, and

**WHEREAS**, the Agency has determined to refund and defease its a portion of obligations under that Indenture of Trust, dated as of May 1, 2002, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of February 1, 2005 (as amended, the “2005 North Long Beach Indenture”), each between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of \$64,080,000 aggregate principal amount of its 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project) of which \$53,180,000 is currently outstanding (the “2005 North Long Beach Agency Bonds” which, together with those bonds approved for refunding among the 2002 Subordinate Downtown Agency Bonds, the 2002 North Long Beach Agency Bonds, the 2002 West Beach Agency Bonds, the 2002 Industrial Agency Bonds, the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, the 2005 Poly High Agency Bonds, the 2005 Subordinate West Beach Agency Bonds and the 2005 Housing Bonds, are referred to herein as the “Refunded Bonds”), attributable to the North Long Beach Redevelopment Project, which 2005 North Long Beach Agency Bonds are subject to optional redemption in accordance with the 2005 North Long Beach Indenture on any date on or after August 1, 2015 to July 31, 2016 at a redemption prices equal, as to certain 2005 North Long Beach Agency Bonds, to the outstanding principal amount thereof, without premium and as to other 2005 North Long Beach Agency Bonds, to 102% of the outstanding principal amount thereof, plus in each case interest due thereon to the date fixed for redemption, and

**WHEREAS**, the County of Los Angeles (the “County”) has developed a program (the “Refunding Program”) to assist successor agencies to former redevelopment agencies within the County to refund tax increment obligations pursuant to AB 1484 in order to provide debt service savings to such successor agencies, efficiencies in such refundings and cost of issuance savings and to increase property tax revenues available for distribution to affected taxing entities; and

**WHEREAS**, the County of Los Angeles Redevelopment Refunding Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the “Authority”), has determined to issue its Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ (Tax-Exempt) and its Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ (Federally Taxable) (collectively, the “Authority Bonds”), in order to provide funds to acquire certain local obligations; and

**WHEREAS**, the Agency has determined to issue its Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) and Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the



“Series 2015 Bonds”), in order to refund the Refunded Bonds, [funding a reserve account and/or providing for a reserve policy or surety for deposit to the reserve account for the Series 2015 Bonds] and pay the costs of issuance of the Series 2015 Bonds, and to sell such Series 2015 Bonds to the Authority; and

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

**WHEREAS**, the Bonds will be payable on a basis subordinate to that portion of the pledge of Tax Revenues (as defined in the Indenture) hereafter securing the payment of principal of and interest on, or accreted value of, as applicable, on the following bonds:

1. *The 1992 Downtown Agency Bonds*, issued in 1992 under an Indenture of Trust, dated as of December 1, 1992, between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of \$81,020,000 aggregate principal amount of its Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992A of which \$11,625,000 is currently outstanding (the “1992 Downtown Agency Bonds”), attributable to the Downtown Redevelopment Project, for sale to, and in connection with the issuance by, the Long Beach Financing Authority of \$126,245,000 aggregate principal amount of its Revenue Bonds, Series 1992, of which \$16,865,000 is currently outstanding (the “1992 Authority Bonds”), which 1992 Downtown Agency Bonds and related maturities of the 1992 Authority Bonds are not subject to optional redemption prior to maturity; and
2. *The 1992 Industrial Agency Bonds*, issued in 1992 under an Indenture of Trust, dated as of December 1, 1992, between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of \$36,470,000 aggregate principal amount of its West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992 of which \$5,240,000 is currently outstanding (the “1992 Industrial Agency Bonds”), attributable to the West Long Beach Industrial Redevelopment Project, for sale to, and in connection with the issuance by, the Long Beach Financing Authority of the 1992 Authority Bonds, which 1992 Industrial Agency Bonds and related maturities of the 1992 Authority Bonds are not subject to optional redemption prior to maturity; and
3. *The 2002B Downtown Agency Bonds*, issued in 2002 under an Indenture of Trust, dated as of December 1, 1992 as amended including by a Third Supplemental Indenture, dated as of November 1, 2002 (as amended, the “2002 Downtown Indenture”), each between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of \$25,920,000 aggregate principal amount of its Downtown Redevelopment Project Tax Allocation Refunding Bonds 2002 Series B of which \$22,615,000 is currently outstanding (the “2002B Downtown Agency Bonds”), attributable to the Downtown Redevelopment

- Project, for sale to, and in connection with the issuance by, the LBBFA of \$47,780,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and West Long Beach Industrial Redevelopment Project Areas) 2002 Series B, of which \$41,005,000 is currently outstanding (the “2002B LBBFA Bonds”), which 2002B Downtown Agency Bonds and related maturities of the 2002B LBBFA Bonds are not subject to optional redemption prior to maturity; and
4. *The Non-Callable 2002 Industrial Agency Bonds*, issued in 2002 under an Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002, each between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of \$21,860,000 aggregate principal amount of its West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A of which \$18,390,000 is currently outstanding and \$6,335,000 of which is not subject to redemption (the “Non-Callable 2002 Industrial Agency Bonds”), attributable to the West Long Beach Industrial Redevelopment Project, for sale to, and in connection with the issuance by, the LBBFA of the 2002B LBBFA Bonds, which Non-Callable 2002 Industrial Agency Bonds and related maturities of the 2002B LBBFA Bonds are not subject to optional redemption prior to maturity; and
  5. *The 2002 Subordinate Downtown Agency Bonds*, purchased and resold in 2006 under the 2002 Subordinate Downtown Indenture, as amended, between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the sale to the LBBFA by the Former RDA of \$7,450,000 aggregate principal amount of its 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project) of which \$6,850,000 is currently outstanding (the “Purchased 2002 Subordinate Downtown Agency Bonds”), attributable to the Downtown Redevelopment Project, in connection with the issuance by, the LBBFA of \$35,045,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) 2005 Series C, of which \$31,895,000 is currently outstanding (the “2005C LBBFA Bonds”), which Purchased 2002 Subordinate Downtown Agency Bonds and 2005C LBBFA Bonds are not being considered for redemption and refunding at this time; and
  6. *The 2002 North Long Beach Agency Bonds*, purchased and resold in 2006 under the 2002 North Long Beach Indenture, as amended, between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the sale to the LBBFA by the Former RDA of \$26,983,000 aggregate principal amount of its 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project) of which \$24,980,000 is currently outstanding (the “Purchased 2002 North Long Beach Agency Bonds”), attributable to the North Long Beach Redevelopment Project, in connection with the issuance by, the LBBFA of the 2005C LBBFA Bonds, which Purchased 2002 North Long Beach Agency Bonds and 2005C LBBFA Bonds are not being considered for redemption and refunding at this time; and

7. *The 2010 North Long Beach Recovery Zone Bonds*, issued in 2010 under the 2002 North Long Beach Indenture, as amended and supplemented by a Third Supplemental Indenture, dated as of May 1, 2010 (as amended, the “2010 North Long Beach Indenture”), each between the Former RDA and The Bank of New York Mellon Trust Company, N.A., as trustee, in connection with the issuance by the Former RDA of \$22,235,000 aggregate principal amount of its Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project) of which \$22,235,000 is currently outstanding (the “2010 North Long Beach Recovery Zone Bonds”), attributable to the North Long Beach Redevelopment Project, which 2010 North Long Beach Recovery Zone Bonds are not being considered for redemption and refunding at this time; and
8. *The 2010 North Long Beach Build America Bonds*, issued in 2010 under the 2010 North Long Beach Indenture in connection with the issuance by the Former RDA of \$10,745,000 aggregate principal amount of its Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project) of which \$8,325,000 is currently outstanding (the “2010 North Long Beach Build America Bonds”), attributable to the North Long Beach Redevelopment Project, which 2010 North Long Beach Build America Bonds are not being considered for redemption and refunding at this time; and

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

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

## **ARTICLE I**

### **DEFINITIONS; EQUAL SECURITY**

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

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

“**Agency**” shall mean the Successor Agency to the Redevelopment Agency of the City of Long Beach, as successor to the Former RDA in accordance with the Dissolution Act, and its successors.

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

“**Authority**” shall mean the County of Los Angeles Redevelopment Refunding Authority duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated August 6, 2013, between the Los Angeles County Public Works Financing Authority and the County.

“**Authority Bonds**” shall mean the County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ (Tax-Exempt) and Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ (Federally Taxable), issued pursuant to the Trust Agreement.

“**Authority Trustee**” shall mean U.S. Bank National Association, as trustee under the Trust Agreement, or any successor thereto.

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

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

[“**Bond Insurance Policy**” shall mean the insurance policy [or policies] issued by the Bond Insurer guaranteeing the scheduled payment of principal of and the interest when due on the [Insured Series 2015\_\_ Bonds].]

[“**Bond Insurer**” or “[**INSURER**]” shall mean \_\_\_\_\_, or any successor thereto or assignee thereof, as insurer of the Authority Bonds.]

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

“**Bonds**” shall mean the Series 2015 Bonds and all Additional Bonds.

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

**“Callable Authority Bonds”** shall mean related Authority Bonds subject to optional redemption from prepayments of Bonds pursuant to Section 4.02 of the Trust Agreement.

**“Cash Flow Certificate”** has the meaning given in the Trust Agreement.

**“City”** shall mean the City of Long Beach, California.

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

**“Compliance Costs”** shall mean those costs incurred by the Agency, the Trustee, the Authority or the Authority Trustee in connection with their compliance with the Indenture, the Trust Agreement and the Continuing Disclosure Agreement that are chargeable against the Redevelopment Property Tax Trust Fund as provided in Section 5.01 and 6.16, including legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, amounts to reimburse the Bond Insurer for draws on its Bond Insurance Policy and Reserve Policy, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 and the Tax Certificate.

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

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

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

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

**“Continuing Disclosure Agreement”** shall mean that Continuing Disclosure Agreement, by and between the Authority and the Agency, dated as of \_\_\_\_ 1, 2015, relating to the Authority Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

**“Cost of Issuance Fund”** shall mean the Fund by that name established pursuant to Section 5.01 of the Trust Agreement.

**“Costs of Issuance”** shall mean all items of expense directly or indirectly payable by or reimbursable to the Agency, the Authority or the City and related to the authorization, issuance, sale and delivery of the Bonds and the Authority Bonds and the refunding of the Refunded Bonds and related LBBFA bonds, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Authority Trustee, 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 the Authority Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds and the Authority Bonds and the refunding of the Refunded Bonds and related LBBFA bonds as provided in a Costs of Issuance invoice transmitted by the Authority (which may include costs and expenses of the Agency and the City) to the Agency and the Trustee at the time of the original issuance of the Bonds to be paid from proceeds of the Bonds in accordance with Section 3.01 or as provided in a Supplemental Indenture.

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

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

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

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

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

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

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

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

**“Former RDA”** shall mean the former Redevelopment Agency of the City of Long Beach, created by the City Council of the City.

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

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

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

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

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

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

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

**[“Insured Series 2015 Bonds”** shall mean the County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ maturing on [August] 1 in the years 20\_\_, 20\_\_ and 20\_\_ and the County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015\_\_ maturing on [August] 1 in the years 20\_\_, 20\_\_ and 20\_\_.]

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

**“Interest Payment Date”** shall mean any [February] 1 or [August] 1 on which interest on any Series of Bonds is scheduled to be paid, commencing \_\_\_\_\_ 1, 20\_\_, with respect to the Series 2015 Bonds.

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

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

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

**“LBBFA”** shall mean the Long Beach Bond Finance Authority and its successors and assigns.

**“Local Obligations”** has the meaning given in the Trust Agreement.

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

**“Officer’s Certificate”** shall mean a certificate signed by the City Manager, Director of Financial Management, City Treasurer, or Debt Manager, acting for and on behalf of the Agency, the Executive Director of the Agency, if any, or the City Clerk acting for the Agency.

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

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

**“Oversight Board”** shall mean the oversight board of the Agency duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

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

**“Pass-Through Agreements”** shall mean the Pass Through Agreements among the Agency, the County, the Los Angeles County Flood Control District and the County Office of Education dated \_\_\_\_\_ and \_\_\_\_\_, providing for the allocation of former tax increment revenues generated by the Los Altos Project.



**“Pass Through Obligations”** shall mean (i) the statutory pass-through obligations of the Agency described under Section 33607.5 of the Law, and (ii) the Pass-Through Agreements, and shall include amounts elected to be allocated pursuant to subdivision (a) of Section 33676 of the California Health and Safety Code.

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

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

- U.S. Treasury obligations  
All direct or fully guaranteed obligations
- Farmers Home Administration  
Certificates of beneficial ownership
- General Services Administration  
Participation certificates
- U.S. Maritime Administration  
Guaranteed Title XI financing
- Small Business Administration  
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)  
GNMA-guaranteed mortgage-backed securities  
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development  
Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National Mortgage

Association (“GNMA”); (f) Student Loan Marketing Association (“SLMA”); and (g) guaranteed portions of Small Business Administration (“SBA”) notes.

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

(4) The Los Angeles County Treasury Pool.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"Plan Limit"** shall mean each or the applicable, as the context suggests, redevelopment plan limit specified in the Redevelopment Plan.

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

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

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

**"Principal Payment Date"** shall mean any [August] 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on [August] 1, 20\_\_ with respect to the Series 2015 Bonds.

**"Project Area"** shall mean collectively the territory comprising the following redevelopment projects of the Agency; (i) the Central Long Beach Redevelopment Project of the Agency, approved by Ordinance No. C-7738 enacted by the City Council of the City on March 6, 2001; (ii) the Downtown Redevelopment Project of the Agency, approved by Ordinance No.

C-5187 enacted by the City Council of the City on June 17, 1975; (iii) the West Long Beach Industrial Project of the Agency, approved by Ordinance No. C-5188 enacted by the City Council of the City on July 1, 1975; (iv) the Los Altos Redevelopment Project of the Agency, approved by Ordinance No. C-6954 enacted by the City Council of the City on December 10, 1991; (v) the North Long Beach Redevelopment Project of the Agency, approved by Ordinance No. C-7412 enacted by the City Council of the City on July 16, 1996; (vi) the [Poly High Redevelopment Project] of the Agency, approved by Ordinance No. C-5063 enacted by the City Council of the City on April 3, 1973; and (vii) the West Beach Redevelopment Project of the Agency, approved by Ordinance No. C-4451 enacted by the City Council of the City on July 21, 1964, in each case together with any amendments duly authorized pursuant to the Redevelopment Law.

**“Qualified Reserve Account Credit Instrument”** means (i) the Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating of such bank or insurance company is “A” (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Account Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Term Bonds Sinking Account for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to the Indenture before the effective date of any such Qualified Reserve Account Credit Instrument.

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

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

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

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

**“Redevelopment Fund”** means the fund by that name established and held [by the Trustee] pursuant to Section 5.06.

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

**“Redevelopment Plan”** shall mean the redevelopment plan for Redevelopment Plan – Central, Redevelopment Plan – Downtown, Redevelopment Plan – Industrial, Redevelopment Plan – Los Altos, Redevelopment Plan – North Long Beach, Redevelopment Plan – Poly High

and Redevelopment Plan - West Beach in each case, together with any amendments thereof, thereafter duly enacted pursuant to the Law.

**“Redevelopment Plan - Central”** means the redevelopment plan for the Central Long Beach Redevelopment Project of the Agency, approved by Ordinance No. C-7738 enacted by the City Council of the City on March 6, 2001, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan - Downtown”** means the redevelopment plan for the Downtown Redevelopment Project of the Agency, approved by Ordinance No. C-5187 enacted by the City Council of the City on June 17, 1975, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan – Industrial”** means the redevelopment plan for the West Long Beach Industrial Project of the Agency, approved by Ordinance No. C-5188 enacted by the City Council of the City on July 1, 1975, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan – Los Altos”** means the redevelopment plan for the Los Altos Redevelopment Project of the Agency, approved by Ordinance No. C-6954 enacted by the City Council of the City on December 10, 1991, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan – North Long Beach”** means the redevelopment plan for the North Long Beach Redevelopment Project of the Agency, approved by Ordinance No. C-7412 enacted by the City Council of the City on July 16, 1996, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan – Poly High”** means the redevelopment plan for the Poly High Redevelopment Project of the Agency, approved by Ordinance No. C-5063 enacted by the City Council of the City on April 3, 1973, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

**“Redevelopment Plan - West Beach”** means the redevelopment plan for the West Beach Redevelopment Project of the Agency, approved by Ordinance No. C-4451 enacted by the City Council of the City on July 21, 1964, together with any amendments to such redevelopment plan duly authorized pursuant to the Redevelopment Law.

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

**“Refunded Bonds”** shall mean the 2002 Subordinate Downtown Agency Bonds, the 2002 North Long Beach Agency Bonds, the 2002 West Beach Agency Bonds, [the refunded portion of] the 2002 Industrial Agency Bonds, the 2005 Poly High Agency Bonds, the 2005 Subordinate West Beach Agency Bonds, the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, the 2005 North Long Beach Agency Bonds and the 2005 Housing Bonds

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

**“Related Documents”** shall mean the Trust Agreement, the Indenture, the Authority Bonds, and the Series 2015 Bonds issued hereunder.

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

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

**“Reserve Policy”** shall mean \_\_\_\_\_ [TO BE PROVIDED BY INSURER].

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

**“Senior Bond Indenture”** shall mean, as applicable, [to come].

**“Senior Bonds”** shall mean the Agency’s 1992 Downtown Agency Bonds, the 1992 Industrial Agency Bonds, the 2002B Downtown Agency Bonds, the Non-Callable 2002 Industrial Agency Bonds, the Purchased 2002 Subordinate Downtown Agency Bonds, the Purchased 2002 North Long Beach Agency Bonds, the 2010 North Long Beach Recovery Zone Bonds and the 2010 North Long Beach Build America Bonds and any parity senior debt issued in accordance with the applicable Senior Bond Indenture.

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

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

**“Series 2015A Bonds”** shall mean the Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A.

**“Series 2015B Bonds”** shall mean the Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable).

**“Series 2015 Bonds”** shall mean, collectively, the Series 2015A Bonds and the Series 2015B Bonds.

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

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

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

**“Tax Certificate”** shall mean that certificate and agreement, relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Authority and the Agency on the date the Authority Bonds and the Series 2015A Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

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

**“Tax Increment Fund”** shall mean the fund established pursuant to Section 5.01 hereof.

**“Tax Revenues”** shall mean all taxes annually allocated within the Plan Limit and paid to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plan available and deposited in the Redevelopment Property Tax Trust Fund, subject to the prior application and lien in favor of the Senior Bonds, payable with respect to Pass-Through Obligations or in accordance with Section 33607.5 or Section 33607.7 or Section 33676 of the Law.

If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

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

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

**“Trust Agreement”** shall mean that certain trust agreement, dated as of the date hereof, between the County of Los Angeles Redevelopment Refunding Authority, as issuer, and U.S. Bank National Association, as trustee, relating to the Authority Bonds.

**“Trustee”** shall mean U.S. Bank National Association, appointed by the Agency in Section 7.01 and acting with the duties and powers herein provided, and its successors and

assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.02.

**“Verification Report”** shall mean a report of an independent firm of nationally recognized certified public accountants, [or such other firm as shall be acceptable to the Bond Insurer], addressed to the Agency, the Authority, the Trustee [and the Bond Insurer], verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

**“Written Request of the Agency”** shall mean an instrument in writing signed by the City Manager, Director of Financial Management, City Treasurer, or Debt Manager, acting for and on behalf of the Agency, the Executive Director of the Agency, if any, or the City Clerk acting for the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

**“Written Request of the Authority”** shall mean an instrument in writing signed by the Treasurer of the Authority, or by any other officer of the Authority duly authorized by the Authority for that purpose.

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

## ARTICLE II

### THE BONDS; CERTAIN PROVISIONS OF THE BONDS

**Section 2.01 General Authorization; Bonds.** The Series 2015 Bonds and Additional Bonds may be issued at any time under and subject to the terms of the Indenture. The Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2015 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2015 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2015 Bonds in the manner and form provided in the Indenture. Accordingly, the Agency hereby authorizes the issuance of the Series 2015 Bonds for the purposes set forth in the preamble of the Indenture.

**Section 2.02 Terms of Series 2015 Bonds.** The Series 2015 Bonds authorized to be issued by the Agency under and subject to the terms of the Indenture and the Law shall be



designated the “Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A” and shall be in the aggregate principal amount of \$\_\_\_\_\_ and the “Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable)” and shall be in the aggregate principal amount of \$\_\_\_\_\_.

The Series 2015 Bonds shall be issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Bonds maturing at any one time). Each Series of Series 2015 Bonds shall be numbered in consecutive numerical order from R1 upwards. Each Series of Series 2015 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Interest Payment Date, in which event they shall bear interest from \_\_\_\_ 15, 20\_\_, provided, however, that if, at the time of authentication of any Series 2015 Bond, interest is then in default on such Series of Series 2015 Bond, such Series of Series 2015 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment. Interest on the Series 2015 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Payment of interest on the Series 2015 Bonds shall be made to the Authority Trustee, as registered owner, or such other person whose name appears on the bond registration books of the Trustee as the registered owner of the Series 2015 Bonds, as of the close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the “Record Date), such interest to be paid in immediately available funds by wire transfer to the Authority Trustee, as registered owner to an account within the United States designated by such registered owner prior to the Record Date, or if otherwise instructed, by check mailed to such registered owner at its address as it appears on such books or at such other address as it may have filed with the Trustee for that purpose prior to the Record Date. The initial wire instructions for such purpose are:

U.S. Bank National Association  
ABA 091000022  
Account Number 180121167365  
Account Name: U.S. Bank Corporate Trust Dept.  
Reference: LA County RDA Pooled Refunding

The Series 2015A Bonds shall mature on the dates and in the principal amounts, and shall bear interest at the rates per annum, set forth in the table below.

<b>Maturity Date ([August] 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		

The Series 2015B Bonds shall mature on the dates and in the principal amounts, and shall bear interest at the rates per annum, set forth in the table below.

<b>Maturity Date ([August] 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		

Principal and redemption premiums, if any, on the Series 2015 Bonds shall be payable by wire transfer in immediately available funds to the initial wire account designated above, including as may be revised, or such other account within the United States designated by the Authority Trustee as Owner at maturity or upon the prior redemption thereof. Principal and redemption premiums, if any, and interest on the Series 2015 Bonds shall be paid in lawful money of the United States of America.

The Series 2015 Bonds shall be registered initially in the name of U.S. Bank National Association, as Authority Trustee, and shall be evidenced by one bond for each maturity of Bonds in the principal amount of the respective maturities of Bonds.

Notwithstanding anything to the contrary contained herein, the payment of principal of and premium, if any, and interest on any Bond of which the Authority Trustee is the Owner shall be made to the Authority Trustee in immediately available funds (including by internal transfer) on each applicable payment date.

The Trustee shall telephonically notify the Authority Trustee on the third Business Day and again on the second Business Day, confirmed in writing or by facsimile or email, prior to each Interest Payment Date if there is an insufficiency of funds on deposit with the Trustee to make the scheduled payments on the Series 2015 Bonds on the next Interest Payment Date.

**Section 2.03 Form of Series 2015 Bonds.** The Series 2015 Bonds, the Trustee’s authentication and registration endorsement, and the assignment to appear thereon shall be substantially in the form attached hereto as Appendix A.

**Section 2.04 Redemption of Series 2015 Bonds.**

(a) Optional Redemption. (i) The Series 2015A Bonds maturing prior to [August] 1, 20\_\_ shall not be subject to optional redemption. The Series 2015A Bonds maturing on or after

[August] 1, 20\_\_ shall be subject to optional redemption on any date on and after [August] 1, 20\_\_, in integral multiples of \$5,000, from any source of available funds, at the times, at the redemption prices and in the manner provided in this section, at the direction of the Agency, so as to cause such Callable Authority Bonds as shall be specified by the Agency to be mandatorily redeemed pursuant to Section 4.02(b) of the Trust Agreement from the Prepayment resulting from the optional redemption of such Series 2015A Bonds.

In order to effect such optional redemption of Series 2015A Bonds, the Agency shall deliver to the Trustee (i) a Written Request of the Agency specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Callable Authority Bonds to be mandatorily redeemed from such Prepayment, (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date shall be a date on which such Callable Authority Bonds are subject to mandatory redemption pursuant to Section 4.02(b) of the Trust Agreement), (C) the amount of each mandatory sinking fund installment for the Authority Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of Series 2015A Bonds as provided in paragraph (a)(ii) of this section, the debt service on the Series 2015A Bonds, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the Authority Bonds to be Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the Series 2015A Bonds, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in paragraph (a)(ii) of this section, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of such Series 2015A Bonds, or portion thereof, to which such Prepayment is to be allocated and applied as provided in paragraph (a)(ii) of this section, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each Series 2015A Bond that will remain Outstanding if such Prepayment is allocated and applied to the redemption of Series 2015A Bonds on such redemption date as provided in paragraph (a)(ii) of this section, which Written Request of the Agency and Cash Flow Certificate of such Independent Financial Consultant shall be delivered to the Trustee at least 35 days prior to such redemption date, or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee.

(ii) No later than three (3) Business Days preceding the date specified in a Written Request of the Agency delivered pursuant to paragraph (a)(i) of this section as the date on which Callable Authority Bonds are to be mandatorily redeemed pursuant to Section 4.02(b) of the Trust Agreement, the Agency shall deliver to the Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency and, on such redemption date, the Trustee shall pay such amount to the Authority Trustee, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Trustee to the Authority Trustee of such amount representing such Prepayment (i) the Series 2015A Bonds, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds shall, as of such redemption date, be deemed to have been

optionally redeemed pursuant to this section, and for all purposes hereof shall be considered to have been optionally redeemed pursuant to this section, in an amount equal to the principal amount of such Series 2015A Bonds, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such Series 2015A Bonds, or portion thereof, as of such redemption date, shall be deemed to be, and for all purposes hereof shall be considered to be, the redemption premium paid in connection with such optional redemption of such Series 2015A Bonds, or portion thereof.

(b) Optional Redemption of the Series 2015B Bonds. (i) [The Series 2015B Bonds maturing prior to [August] 1, 20\_\_ shall not be subject to optional redemption. The Series 2015B Bonds maturing on or after [August] 1, 20\_\_ shall be subject to optional redemption on any date on and after [August] 1, 20\_\_, in integral multiples of \$5,000, from any source of available funds, at the times, at the redemption prices and in the manner provided in this section, at the direction of the Agency, so as to cause such Callable Authority Bonds as shall be specified by the Agency to be mandatorily redeemed pursuant to Section 4.02(b) of the Trust Agreement from the Prepayment resulting from the optional redemption of such Series 2015B Bonds.

In order to effect such optional redemption of Series 2015B Bonds, the Agency shall deliver to the Trustee (i) a Written Request of the Agency specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Callable Authority Bonds to be mandatorily redeemed from such Prepayment, (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date shall be a date on which such Callable Authority Bonds are subject to mandatory redemption pursuant to Section 4.02(b) of the Trust Agreement), (C) the amount of each mandatory sinking fund installment for the Authority Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of Series 2015B Bonds as provided in paragraph (a)(ii) of this section, the debt service on the Series 2015B Bonds, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the Authority Bonds to be Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the Series 2015B Bonds, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in paragraph (a)(ii) of this section, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of such Series 2015B Bonds, or portion thereof, to which such Prepayment is to be allocated and applied as provided in paragraph (a)(ii) of this section, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each Series 2015B Bond that will remain Outstanding if such Prepayment is allocated and applied to the redemption of Series 2015B Bonds on such redemption date as provided in paragraph (a)(ii) of this section, which Written Request of the Agency and Cash Flow Certificate of such Independent Financial Consultant shall be delivered to the Trustee at least 35 days prior to such redemption date, or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee.

(ii) No later than three (3) Business Days preceding the date specified in a Written Request of the Agency delivered pursuant to paragraph (a)(i) of this section as the date on which Callable Authority Bonds are to be mandatorily redeemed pursuant to Section 4.02(b) of the Trust Agreement, the Agency shall deliver to the Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency and, on such redemption date, the Trustee shall pay such amount to the Authority Trustee, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Trustee to the Authority Trustee of such amount representing such Prepayment (i) the Series 2015B Bonds, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds shall, as of such redemption date, be deemed to have been optionally redeemed pursuant to this section, and for all purposes hereof shall be considered to have been optionally redeemed pursuant to this section, in an amount equal to the principal amount of such Series 2015B Bonds, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such Series 2015B Bonds, or portion thereof, as of such redemption date, shall be deemed to be, and for all purposes hereof shall be considered to be, the redemption premium paid in connection with such optional redemption of such Series 2015B Bonds, or portion thereof.]

(c) Mandatory Redemption of Series 2015A Bonds from Sinking Fund Installments.

(i) The Series 2015A Bonds maturing on [August] 1, 20\_\_ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20\_\_, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

**Series 2015A Term Bonds Maturing [August] 1, 20\_\_**

<b>Sinking Fund Redemption Date ([August] 1)</b>	<b>Principal Amount To be Redeemed</b>
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\*Final Maturity

(d) The Series 2015A Bonds maturing on [August] 1, 20\_\_ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20\_\_, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

**Series 2015A Term Bonds Maturing [August] 1, 20\_\_**

<b>Sinking Fund Redemption Date ([August] 1)</b>	<b>Principal Amount To Be Redeemed</b>
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\*Final Maturity

In the event that a Series 2015A Bond subject to mandatory redemption is redeemed in part prior to its stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015A Bond shall be reduced as directed in a Written Request of the Agency, consistent with the related Cash Flow Certificate.

(e) The Series 2015B Bonds maturing on [August] 1, 20\_\_ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20\_\_, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

**Series 2015B Term Bonds Maturing [August] 1, 20\_\_**

<b>Sinking Fund Redemption Date ([August] 1)</b>	<b>Principal Amount To Be Redeemed</b>
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\*Final Maturity

In the event that a Series 2015B Bond subject to mandatory redemption is redeemed in part prior to its stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015B Bond shall be reduced as directed in a Written Request of the Agency, consistent with the related Cash Flow Certificate.

**Section 2.05 Notice of Redemption.** In the case of any redemption of Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for

redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Series 2015 Bonds, the respective series of Series 2015 Bonds, or portions thereof, as applicable, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice shall be mailed (or if all of the Bonds are held by the Authority Trustee, transmitted in a manner acceptable to the Authority Trustee) by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Request of the Agency given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Request of the Agency, the Trustee shall promptly mail (or if all of the Bonds are held by the Authority Trustee, transmitted in a manner acceptable to the Authority Trustee) notice of such rescission to the same parties that were mailed the original notice of redemption.

**Section 2.06 Selection of Bonds for Redemption.** [Whenever less than all the Outstanding Bonds of any Bonds of a Series maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds of such Series and maturity to be redeemed from the Outstanding Bonds of such Bonds maturing on such date not previously selected for redemption, by lot in any manner which the Trustee deems fair.]

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

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Agency, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or



such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

**Section 2.08 Purchase in Lieu of Redemption.** In lieu of redemption of any Bond pursuant to the provisions of subsection (a) of Section 2.04 or Section 5.02 hereof, amounts on deposit in the Term Bonds Sinking Account may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Agency may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Bonds shall be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Bonds so purchased shall be cancelled by the Trustee forthwith and shall not be reissued. The principal of any Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year shall be credited towards and shall reduce the principal of such Term Bonds required to be redeemed on such Sinking Account Payment Date in such year.

**Section 2.09 Execution of Bonds.** The City Manager, Director of Financial Management, City Treasurer, or Debt Manager, acting for and on behalf of the Agency shall execute each of the Bonds on behalf of the Agency and the City Clerk shall attest each of the Bonds on behalf of the Agency. Any of the signatures of said City Manager, Director of Financial Management, City Treasurer, or Debt Manager, acting for and on behalf of the Agency, and the City Clerk may be by printed, lithographed or engraved facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds. Any Bond may be signed and attested on behalf of the Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Agency although at the nominal date of such Bond any such person may not have been such officer of the Agency.

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

**Section 2.10 Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.12, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal

amount of the same Series, interest rate and maturity date. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

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

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

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

**Section 2.12 Bond Registration Books.** (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times, upon reasonable notice, be open to inspection by any Bondowner or his agent duly authorized in writing or the Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

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

(c) Upon initial issuance of the Bonds, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.12 in the name of U.S. Bank National Association, as trustee for the Authority.

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

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

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

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

### ARTICLE III

#### APPLICATION OF PROCEEDS OF BONDS

**Section 3.01 Application of Proceeds of Sale of Series 2015 Bonds -- Allocation Among Funds and Accounts.** The net proceeds of the sale of the Series 2015 Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as set forth below:

The net proceeds of the sale of the Series 2015A Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(a) The Trustee shall deposit in the Reserve Account established pursuant to Section 5.03(d) hereof the [Reserve Policy][sum of \$\_\_\_\_\_, which is equal to] the initial Reserve Account Requirement; and

(b) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 Subordinate Downtown Agency Bonds; and

(c) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 North Long Beach Agency Bonds; and

(d) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 West Beach Agency Bonds; and

(e) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 Industrial Agency Bonds; and

(f) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 North Long Beach Agency Bonds; and

(g) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Central Agency Bonds; and

(h) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Los Altos Agency Bonds; and

(i) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Poly High Agency Bonds; and

(j) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Subordinate West Beach Agency Bonds; and

(k) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Housing Bonds.

The net proceeds of the sale of the Series 2015B Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(a) The Trustee shall deposit in the Reserve Account established pursuant to Section 5.03(d) hereof the [Reserve Policy][sum of \$\_\_\_\_\_, which is equal to] the initial Reserve Account Requirement; and

(b) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 Subordinate Downtown Agency Bonds; and

(c) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 North Long Beach Agency Bonds; and

(d) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 West Beach Agency Bonds; and

(e) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2002 Industrial Agency Bonds; and

(f) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 North Long Beach Agency Bonds; and

(g) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Central Agency Bonds; and

(h) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Los Altos Agency Bonds; and

(i) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Poly High Agency Bonds; and

(j) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Subordinate West Beach Agency Bonds; and

(k) The Trustee shall transfer \$\_\_\_\_\_ to the trustee for the 2005 Housing Bonds.

The Trustee shall transfer, or cause the transfer, to the Cost of Issuance Fund established under the Trust Agreement the sum of \$\_\_\_\_\_ for the payment of the Costs of Issuance.

From amounts released by the Prior Trustee for deposit in the Redevelopment Fund as directed in the [Order of the Agency], the Trustee shall deposit the amount of \$\_\_\_\_\_ in the \_\_\_\_\_ Account of the Redevelopment Fund, \$\_\_\_\_\_ in the \_\_\_\_\_ Account of the Redevelopment Fund and \$\_\_\_\_\_ in the \_\_\_\_\_ Account of the Redevelopment Fund to be applied to pay costs of eligible projects in accordance with the Law.

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

## ARTICLE IV

### ISSUANCE OF ADDITIONAL BONDS

**Section 4.01 Conditions for the Issuance of Additional Bonds.** The Agency may at any time after the issuance and delivery of the Series 2015 Bonds hereunder issue Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, for the purpose of refunding Senior Bonds and Bonds hereunder issued in accordance with the Law, including payment of all costs incidental to or connected with such refunding, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) A Written Request of the Agency shall have been filed with the Trustee containing a statement to the effect that the Agency shall be in compliance with all covenants set forth in the Indenture and any Supplemental Indentures, and no event of default shall have occurred and be continuing.

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

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

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

thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iii) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2015 Bonds;

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

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

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

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

(viii) The form of such Additional Bonds; and

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

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

The Agency shall refund outstanding Senior Bonds on a basis senior to or on a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act. Nothing contained in the Indenture shall limit the issuance of any tax increment bonds or other obligations of the Agency secured by a lien and charge on Tax Revenues junior to that of the Bonds.

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

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

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

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

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

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

## ARTICLE V

### TAX REVENUES; CREATION OF FUNDS

**Section 5.01 Pledge of Tax Revenues; Tax Increment Fund.** Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Outstanding Bonds as provided herein. The Agency hereby irrevocably grants to the Trustee for the benefit of the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and hereby pledges and assigns, the Tax Revenues, whether held by the Agency, the County Auditor-Controller, the County Treasurer and Tax Collector or the Trustee, and all amounts in the funds and accounts established hereunder (other than the Expense Account and

the Rebate Fund), including the “Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Increment Fund” (hereinafter called the “Tax Increment Fund”), which is hereby created by the Agency and which fund the Agency hereby covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder, to the Trustee for the benefit of the Owners of the Outstanding Bonds.

Notwithstanding the foregoing, there shall not be deposited with the Trustee for deposit in the Tax Increment Fund any taxes eligible for allocation to the Agency pursuant to the Law in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Tax Increment Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Article X hereof. No additional bonds payable from Tax Revenues on a basis senior to or on a parity with the Bonds will be issued except pursuant to Article IV of the Indenture.

The Agency covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues when and as received, will be received by the Agency in trust hereunder and will be transferred to the Trustee within a reasonable period of time from the receipt by the Agency thereof, for deposit by the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as specifically provided otherwise in the Indenture. All such Tax Revenues, whether received by the Agency and held in trust pending transfer or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency. Any Tax Revenues received by the Trustee in the Tax Increment Fund (other than amounts deposited in the Reserve Account) in excess of the amounts required to be held by the Trustee in the Tax Increment Fund shall be released from the pledge and lien hereunder and transferred to the Agency and may be used for any lawful purpose of the Agency.

[Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the Redevelopment Property Tax Trust Fund. In furtherance of this Section 5.01 and the Dissolution Act, and in accordance with the County Auditor-Controller’s obligations as set forth in California Health and Safety Code Section 34183 and the Agency’s irrevocable direction under Section 5.02 of the Indenture, the Agency shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the Redevelopment Property Tax Trust Fund, (2) allocates funds for the principal and interest payments due on the Outstanding Bonds and any deficiency in the Reserve Account pursuant to each valid Recognized Obligation Payment Schedule in accordance with the Dissolution Act and as provided in this Section 5.01, and (3) make the transfers to the Trustee required under Section 5.02 of the Indenture.]

The Agency will take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedules the amounts described below to be transmitted to the Trustee for the applicable six month period in order to satisfy the requirements of the Indenture, plus any amounts required to pay principal and interest payments due on the Senior Bonds,



Outstanding Bonds, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement and any deficiency in the reserve accounts under the indentures for the Senior Bonds. The Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the County Auditor-Controller and the Department of Finance (with a copy to the Authority) at least ninety (90) days prior to the January 2 Redevelopment Property Tax Trust Fund distribution and at least ninety (90) days prior to the June 1 Redevelopment Property Tax Trust Fund distribution (or otherwise submit such schedules annually in accordance with the Law and shall submit a copy of the Recognized Obligation Payment Schedule to the Department of Finance in the manner provided for by the Department of Finance), as applicable.

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

[The amount due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the then-current calendar year from Tax Revenues required to be deposited into the Redevelopment Property Tax Trust Fund shall equal (1) one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any deficiency in the Reserve Account, less (3) the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the Recognized Obligation Payment Schedule pursuant to this Section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds in the then current calendar year. The amount due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then-current calendar year from amounts required to be deposited into the Redevelopment Property Tax Trust Fund shall be equal to the remainder due and payable on the Outstanding Bonds during the then-current calendar year in an amount equal to not less than (1) the remaining one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any remaining deficiency in the Reserve Account.]

Subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues received by the Agency (1) during the period commencing on June 2 of the prior calendar year and ending January 2 of the then current calendar year in excess of the amount required, as provided in this section, to be deposited in the Tax Increment Fund on January 2 and (2) during

the period commencing on January 3 of the then current calendar year and ending June 1 of such calendar year in excess of the amount required, as provided in this section, to be deposited in the Tax Increment Fund on June 1, shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each such date, be released from the pledge, security interest and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Agency for any lawful purpose of the Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Agency shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

**Section 5.02 Receipt and Deposit of Tax Revenues; Irrevocable Direction to County Treasurer and Tax Collector and County Auditor-Controller.** (a) The Agency covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues, when and as received in accordance with Section 5.01 hereof, will be received by the Agency in trust hereunder and shall be deemed to be held by the Agency as agent for the Trustee and will, not later than five (5) Business Days following such receipt, be deposited by the Agency with the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in the Indenture provided; provided that the Agency shall not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Trustee for deposited in the Tax Increment Fund pursuant to Section 5.01. All such Tax Revenues, whether received by the Agency in trust or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

(b) [In order to assure that funds required to be deposited with the Trustee pursuant to this Section 5.02 are so deposited in a timely fashion, and to further secure the Bonds, the Agency hereby irrevocably authorizes and directs the County Treasurer and Tax Collector and the County Auditor-Controller to transfer any Agency funds then held in, or later received by the County Treasurer and Tax Collector and the County Auditor-Controller for deposit in, the Redevelopment Property Tax Trust Fund, to the Trustee for deposit into the Tax Increment Fund in the amounts provided for in Section 5.01.]

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

- (1) Interest Account;

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

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

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

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

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

(c) Term Bonds Sinking Account. The Trustee shall deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of purchasing or redeeming the Term Bonds in accordance with Section 2.04(c) hereof.

(d) Reserve Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein

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

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

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

[The Agency may, with the prior written consent of [INSURER], deposit any Qualified Reserve Account Credit Instrument to the Reserve Account established for the Bonds in lieu of a cash deposit into the Reserve Account.]

[EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE: The prior written consent of [INSURER] shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account established for Series 2015 Bonds in lieu of a cash deposit into the Reserve Account. Amounts drawn under the [INSURER'S] Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2015 Bonds, respectively, when due.]

[EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE: The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) of Section 12.15 hereof and to provide notice to [INSURER] in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2015 Bonds, respectively. Where deposits are required to be made by the Agency with the Trustee to the debt service fund for the Series 2015 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to [INSURER] of any failure of the Agency to make timely payment in full of such deposits within two Business Days of the date due.]

(e) Expense Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs as specified in a Written Request of the Agency setting forth the amounts. All

moneys in the Expense Account shall be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds herein authorized, or any interest thereon, remain unpaid, the moneys in the Expense Account shall be used for no purpose other than those required or permitted by the Indenture and the Law.

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

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

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

**Section 5.05 [EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE:] [Reserve Policy Payment and Reimbursement Provisions].** The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

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

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

(c) The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2015 Bonds (subject only to the priority of payment provisions set forth under the Indenture). Amounts in respect of Policy Costs paid to [INSURER] shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to [INSURER] on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

(d) All cash and investments in the Reserve Account shall be transferred to the debt service fund for payment of debt service on the Series 2015 Bonds before any drawing may be made on the Reserve Policy or any other Qualified Reserve Account Credit Instrument credited to the Reserve Account in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, “available coverage means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section, [INSURER] shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2015 Bonds, if any, or (ii) remedies which would adversely affect owners of the Series 2015 Bonds.

(f) The Authorizing Document shall not be discharged until all Policy Costs owing to [INSURER] shall have been paid in full. The Agency’s obligation to pay such amounts shall expressly survive payment in full of the Series 2015 Bonds.

(g) The Agency shall include any Policy Costs then due and owing [INSURER] in the calculation of the additional bonds test.

(h) The Agency will pay or reimburse [INSURER] any and all reasonable charges, fees, costs, losses, liabilities and expenses which [INSURER] may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture or any document executed in connection with the Series 2015 Bonds (the “Related Documents”), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Agency) relating to Authorizing Document or any other Related Document, any party to the Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Indenture or any other Related Document, if any, or the pursuit of any remedies under the Indenture or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Indenture, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by [INSURER] to cure a default or termination or similar event (or to mitigate the

effect thereof) under the Indenture or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of [INSURER] spent in connection with the actions described in clauses (ii) through (v) above. [INSURER] reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Agency hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by [INSURER] until the date [INSURER] is paid in full.

(i) The obligation of the Agency pay all amounts due to [INSURER] shall be an absolute and unconditional obligation of the Agency and will be paid or performed strictly in accordance with the provisions of this Section, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Series 2015 Bonds, the Indenture or any other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2015 Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2015 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Agency may have at any time against the Trustee or any other person or entity other than the Bond Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Bond Insurer under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

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

(k) The Agency covenants to provide to [INSURER], promptly upon request, any information regarding the Series 2015 Bonds or the financial condition and operations of the Agency as reasonably requested by [INSURER]. The Agency will permit [INSURER] to discuss the affairs, finances and accounts of the Agency or any



information [INSURER] may reasonably request regarding the security for the Series 2015 Bonds with appropriate officers of the Agency and will use commercially reasonable efforts to enable [INSURER] to have access to the facilities, books and records of the Agency on any Business Day upon reasonable prior notice.]

**Section 5.06 Redevelopment Fund.** There is hereby established a separate fund to be known as the “Redevelopment Fund” and within such fund accounts for the \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ Project Areas which shall be held by the Trustee. The Trustee shall deposit in each respective account of the Redevelopment Fund the amount specified in Section 3.01. The Trustee shall disburse amounts on deposit in such accounts to the Agency upon receipt of a Written Request of the Agency which specifies the amount to be withdrawn. The Agency shall use amounts withdrawn from the Redevelopment Fund to pay costs of eligible projects in accordance with the Law. The Agency shall maintain records as to the disposition of all amounts disbursed to it from the Redevelopment Fund pursuant to this Section 5.06, as necessary to comply with any applicable requirements of the Redevelopment Law.

## ARTICLE VI

### COVENANTS OF THE AGENCY

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

**Section 6.02 Against Encumbrances.** The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues, except as provided in the Indenture, and will not issue any obligation or security superior to or on a parity with then Outstanding Bonds payable in whole or in part from the Tax Revenues (other than Additional Bonds in accordance with Section 4.01). The Agency shall refund outstanding Senior Bonds on a basis senior to or on a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

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

**Section 6.04 Payment of Claims.** Subject to the terms of the Dissolution Act, the Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might

impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

**Section 6.05 Books and Accounts; Financial Statements.** The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transfers to the Trustee required under Section 5.02 of the Indenture for deposit into the Tax Increment Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the County or of the Owners of not less than ten per cent (10%) of the aggregate principal amount of Bonds Outstanding or their representatives authorized in writing.

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

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

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

**Section 6.08 Amendment of Redevelopment Plan.** The Agency will not amend the Redevelopment Plan except as provided in this section and as permitted by the Law. If the Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Agency may undertake such amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed amendment, the Agency may not undertake such proposed amendment. Notwithstanding the foregoing, the Agency must obtain the Bond Insurer's prior written consent for any amendment of the Redevelopment Plan which would (i) reduce the amount of Tax Revenues that may be received by the Agency or (ii) reduce the period during which the Agency may collect Tax Revenues.

**Section 6.09 Tax Revenues.** The Agency shall comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary Recognized Obligation Payment Schedules.

(a) The Agency shall manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plan in the amounts and at the times required to enable the Agency to pay the principal of, premium, if any and interest on the outstanding Senior Bonds, and any parity debt thereof, and the Series 2015 Bonds and any Additional Bonds when due.

The Agency shall comply with all requirements of the Law to obtain the allocation and payment to it of the Tax Revenues, including without limitation, including the requisite amounts on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law), and the timely filing thereof, all payments expected to be made to the [Trustee] in order to satisfy the requirements of this Section 6.09.

(b) [The Agency hereby covenants that, for so long as the receipt of Tax Revenues attributable to each plan defined as part of the Redevelopment Plan is subject to a tax increment limit under the Law, it will annually review the total amount of [tax increment revenues remaining available to be received by the Agency under each such Redevelopment Plan's cumulative tax increment limitations], as well as future cumulative annual debt service. If remaining tax increment revenues allocable within a Redevelopment Plan's cumulative tax increment limit are less than its allocable share of one hundred five percent (105%) of all future debt service on the Bonds, the Senior Bonds and any other obligations of the Agency payable from tax increment revenues, the Agency shall immediately notify the Bond Insurer and all tax increment revenues allocable to such respective plan as part of the Redevelopment Plan not needed to pay current or any past due debt service on any related Agency obligations or to replenish the Reserve Account to the Reserve Requirement or the related reserve accounts under the indentures for the Senior Bonds secured by tax increment revenues allocable to such Redevelopment Plan, shall be deposited into a Trustee-held escrow account and invested in Defeasance Securities. Such fund must be used only to pay debt service on the Bonds and to pay any Parity Obligations. Notwithstanding anything herein to the contrary, the provisions of this paragraph may be modified or waived with the consent of the Bond Insurer.]

(c) Notwithstanding the foregoing, if legislation is adopted by the legislature of the State of California eliminating the effective limit on the amount of taxes which can be allocated to the Agency pursuant to the Law and the Redevelopment Plan, the deposit of Tax Revenues attributable to any redevelopment plan of the Redevelopment Plan required by paragraph (b) of this Section 6.09 for the purpose of paying the payment of debt service on the Senior Bonds, and any parity debt thereof, and the Series 2015 Bonds and any Additional Bonds shall no longer be required.]

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

### **Section 6.11 Tax Covenants; Rebate Fund.**

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

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

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

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

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

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

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

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

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

**Section 6.12 Compliance with the Dissolution Act.** [The Agency covenants that in addition to complying with the requirements of Section 5.01 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and seek all necessary successor agency or an oversight board approvals required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture. Further, the Agency will take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, plus any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement and any deficiency in the reserve accounts under the indentures for the Senior Bonds, any Compliance Costs, and any required debt service, reserve set-asides, and any other payments required under the Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts to the Trustee for deposit in the Tax Increment Fund on each January 2 and June 1 amounts required for the Agency to pay the principal of, premium, if any, and the interest on the Outstanding Bonds coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).]

**Section 6.13 Negative Pledge.** The Agency may not create or allow to exist any liens on Tax Revenues senior to (except as provided in the indentures securing the Senior Bonds) or on a parity with the Series 2015 Bonds except as provided in Article IV hereof [or as otherwise approved by the Bond Insurer]. The Agency shall refund outstanding Senior Bonds on a basis

senior to or on a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

**Section 6.14 Adverse Change in State Law.** If, due to an adverse change in State law resulting from legislation or the decision of a court of competent jurisdiction, the Agency determines that it can no longer comply with Section 6.12, then the Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent jurisdiction to determine the duties of all parties to the Indenture, including the County Auditor-Controller and the Agency, with regard to the performance of Section 6.12 by the Agency. The Trustee may, but is in no event obligated to, participate in the process of seeking such declaratory judgment to protect its rights hereunder. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Agency.

**Section 6.15 Credits to Redevelopment Obligation Retirement Fund.** [The Agency covenants, subject to the prior application and lien in favor of the Senior Bonds, to credit all Tax Revenues withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5 of the California Health and Safety Code.]

**Section 6.16 Compliance Costs.** [The Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, from amounts on deposit in the Expense Account, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, costs of the Agency, the Trustee, the Authority and the Authority Trustee, payable from the Redevelopment Property Tax Trust Fund.]

**Section 6.17 Continuing Disclosure.** The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement; subject to the obligations agreed to be undertaken by the Authority. Notwithstanding any other provision of the Indenture, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an event of default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement), or the Bondowners of at least 25% aggregate principal amount of Authority Bonds Outstanding, shall to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Agency to comply with its obligations under this section and the Continuing Disclosure Agreement. For purposes of this section, "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Authority Bonds (including persons holding Authority Bonds through nominees, depositories or other intermediaries).

**Section 6.18 Approval of Program Documents and Indemnification.** The Agency has approved participation in the Refunding Program and forms of the Authority Bonds, the Trust Agreement, and the Local Obligation Purchase Contract including the indemnification set

forth in Section 5 of the Local Obligation Purchase Contract for the benefit of the Authority and the County with respect to the Auditor-Controller's transfer of funds pursuant to Section 5.02(b) of the Indenture.

## ARTICLE VII

### THE TRUSTEE

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

**Section 7.02 Duties, Immunities and Liability of Trustee.**

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

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

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted

appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Agency, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Agency and to its predecessor Trustee [and the Bond Insurer] a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Agency or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

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

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



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

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

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

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

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

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Indenture to the Agency within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning October 1 and ending September 30, within 90 days after the end of such period. Such accounting shall show in reasonable detail all transactions made by the Trustee under the Indenture during the accounting period and the balance in any Funds and accounts created under the Indenture as of the beginning and close of such accounting period.

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

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

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

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

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

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

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

**Section 7.05 Liability of Trustee.** The recitals of facts herein and in the Bonds contained shall be taken as statements of the Agency, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Indenture or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bond Insurer or the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Outstanding Bonds relating to

the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder. Whether or not therein expressly so provided, every provision of the Indenture or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

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

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

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

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

**Section 7.08 Indemnity for Trustee.** Before taking any action or exercising any rights or powers under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

## ARTICLE VIII

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

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

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

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

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

## ARTICLE IX

### AMENDMENT OF THE INDENTURE

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

superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, without the express written consent of the Owner of such Bond, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Agency and of the Owners may also be amended at any time, [upon the written consent of the Bond Insurer (provided that the Indenture may be amended without such consent in connection with the issuance of Additional Bonds pursuant to Article IV hereof)], by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

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

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

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

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

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

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

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

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

**Section 9.03 Endorsement or Replacement of Bonds After Amendment.** After the effective date of any action taken as hereinabove provided, the Agency may determine that the Bonds may bear a notation, by endorsement in form approved by the Agency, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond. If the Agency shall so determine, new Bonds so modified as, in the opinion of the Agency, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

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

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

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

**Section 9.07 [EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE: Transcript of Proceedings to Bond Insurer.** The Agency shall provide the Bond Insurer with a full transcript of the proceedings relating to the execution and delivery of any Supplemental Indenture.]

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

- (a) If default shall be made in the due and punctual payment of the principal of, or premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) If default shall be made in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;
- (c) If default shall be made by the Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after the Agency shall have been given notice in writing of such default by the Trustee; provided,

however, that such default shall not constitute an Event of Default hereunder if the Agency shall commence to cure such default within said 30-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 60 days after such notice [without the prior written consent of the Bond Insurer]; or

(d) If the 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;

then, and in each and every such case during the continuance of such Event of Default, [with the written consent of the Bond Insurer], the Trustee may, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, shall, by notice in writing to the Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. [For all purposes under this Article X, the Bond Insurer is deemed to be an owner of one hundred percent (100%) of the Insured Series 2015\_\_ Bonds unless the Bond Insurer is in default under the terms of the Bond Insurance Policy.]

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

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

**Section 10.02 Application of Funds Upon Acceleration.** All money in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the

Trustee as provided in Section 10.01, and subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues thereafter received by the Agency hereunder, shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

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

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

**Section 10.03 Trustee to Represent Bondowners.** The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and owning the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners of the Bonds, the Trustee in its discretion may [with the consent of the Bond Insurer], and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Law or any other law. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

**Section 10.04 Bondowners' Direction of Proceedings.** The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided, that such



direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction.

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

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

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

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

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the Trustee, the Agency and the Owners shall be restored

to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

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

## ARTICLE XI

### DEFEASANCE

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

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

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

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

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

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

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

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

(c) The Trustee is entitled to rely upon (i) an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this section have been satisfied,

and (ii) such other opinions, certifications and computations, of accountants or other financial consultants concerning the matters described in paragraph (a)(i) of this section.

## ARTICLE XII

### MISCELLANEOUS

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

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

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

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

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

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

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

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

The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.12.

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

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

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

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

**Section 12.10 Content of Certificates and Reports.** Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

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

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

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

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

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

Agency: Successor Agency to the Redevelopment Agency of the  
City of Long Beach  
333 W. Ocean Blvd.  
Long Beach, California 90802  
Attention: Debt Manager

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

Authority: County of Los Angeles  
Redevelopment Refunding Authority  
c/o County of Los Angeles  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Attention: Treasurer and Tax Collector

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

[Bond Insurer:] [\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention:  
Re: Policy No.  
Telephone:  
Telecopier:

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”]

**Section 12.15 [EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE:] [Bond Insurance Payment and Reimbursement Provisions].** The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

The Agency agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer allocable to unpaid debt service on the Insured Series 2015 Bonds under the Bond Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus \_\_\_\_\_%, and (ii) the then applicable highest rate of interest on the Insured Series 2015 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates, each including from amounts paid to the Authority by the Agency to the extent allocable to unpaid debt service on the Insured Series 2015 Bonds. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Agency hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the Tax Revenues on a parity debt service due on the Insured Series 2015 Bonds.

The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2015 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Authority and the Agency to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

As provided in the Trust Agreement, the Authority shall pay or reimburse the Bond Insurer, including from funds provided by the Agency to the Authority for the benefit of the Bond Insurer, any and all charges, fees, costs and expenses allocable to unpaid debt service on the Insured Series 2015 Bonds that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Trust Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Trust Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Trust Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond



Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Trust Agreement or any other Related Document.

After payment of reasonable expenses of the Authority Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Insured Series 2015 Bonds and amounts required to restore the Agency's Reserve Account to the Reserve Account Requirement.

The Agency will permit the Bond Insurer to discuss the affairs, finances and accounts of the Authority and the Agency or any information the Bond Insurer may reasonably request regarding the security for the Insured Series 2015 Bonds with appropriate officers of the Authority and the Agency and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Authority and the Agency on any Business Day upon reasonable prior notice.

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

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

As provided in the Trust Agreement, in determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Trust Agreement would adversely affect the security for the Insured Series 2015 Bonds or the rights of the Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Series 2015 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

Any interest rate exchange agreement ("Swap Agreement") entered into by the Authority and/or Agency shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Series 2015 Bonds [and on any debt on parity

with the Insured Series 2015 Bonds]. The Authority and/or Agency shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Authority and/or Agency to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least “A-” and “A3” by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”). If the counterparty or guarantor’s rating falls below “A-” or “A3” by either S&P or Moody’s, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor’s long term unsecured rating falls below “Baa” or “BBB+” by either Moody’s or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.]

**Section 12.16 [EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE:] [Bond Insurer Notice Provisions.** The Bond Insurer shall be provided with the following information by the Authority, Agency or Trustee, as the case may be:

- (i) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Agreement), provided, however, that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date, and such other information, data or reports as the Bond Insurer shall reasonably request from time to time;
- (ii) Notice of any draw upon the Agency’s Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Reserve Account Requirement and (ii) withdrawals in connection with a refunding of the Insured Series 2015 Bonds;
- (iii) Notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the Insured Series 2015 Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Authority or Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Series 2015 Bonds;

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

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

In addition, to the extent that the Authority or the Agency has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Series 2015 Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

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

Notwithstanding the foregoing, the Bond Insurer agrees to receive notice, and shall be deemed to have received notice in satisfaction of the provisions set forth in this Section, by filings made (or caused to be made) by the Authority or the Agency through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (including in accordance with Section 12.16(i)), currently located at <http://emma.msrb.org>. The Authority or the Agency, as applicable, will use good faith efforts to provide notice (by first class mail or facsimile or electronic mail) of such filings to the Bond Insurer.]

**Section 12.17 [EXEMPLAR BOND INSURER TERMS INCLUDED FOR REFERENCE; SUBJECT TO CHANGE: Bond Insurer as Third Party Beneficiary.** The Bond Insurer is hereby expressly made a third party beneficiary of the Indenture and each other Related Documents.]

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

[Remainder of page intentionally left blank.]

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

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY  
OF LONG BEACH**

By: \_\_\_\_\_  
Joseph Kelly  
Treasurer

**ATTEST:**

By: \_\_\_\_\_  
City Clerk of the City of Long Beach,  
acting for Successor Agency to the  
Redevelopment Agency of the City of  
Long Beach

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

By: \_\_\_\_\_  
Authorized Officer

**APPENDIX A**

**FORM OF BOND**

No. \_\_\_\_\_

\$ \_\_\_\_\_

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH  
TAX ALLOCATION REFUNDING BONDS  
[SERIES 2015A][2015B (FEDERALLY TAXABLE)]**

**BOND DATE:** \_\_\_\_\_, 2015      **MATURITY DATE:** [August] 1, 20\_\_      **RATE OF INTEREST:**

Registered Owner: U.S. BANK NATIONAL ASSOCIATION, as Authority Trustee

Principal Amount:

**THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH**, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Agency"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon from the interest payment date next preceding the date of authentication on this Bond (unless this Bond is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated prior to the first interest payment date in which event it shall bear interest from \_\_\_\_ 15, 20\_\_) until the principal hereof shall have been paid, at the Rate of Interest specified above, payable on \_\_\_\_ 1, 20\_\_ and semiannually thereafter on [February] 1 and [August] 1 in each year. Both the interest hereon and principal hereof are payable in lawful money of the United States of America. The principal (or redemption price) hereof is payable by U.S. Bank National Association, as trustee (the "Trustee"), by wire transfer in immediately available funds to an account within the United States designated by the Authority Trustee as Registered Owner at maturity or upon the prior redemption thereof. Interest hereon is payable to the person in whose name this Bond is registered at the close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the "Record Date"), such interest to be paid in immediately available funds by wire transfer to the Authority Trustee, as registered owner to an account within the United States designated by such registered owner prior to the Record Date, or if otherwise instructed, by check mailed to such registered owner at its address as it appears on such books or at such other address as it may have filed with the Trustee for that purpose prior to the Record Date.

This Bond is a duly authorized issue of Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series [2015A][2015B (Federally Taxable)] (the "Bonds"), limited in aggregate principal amount to \$ \_\_\_\_\_ all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the

Community Redevelopment Law of the State of California, as amended including, without limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the “Law”), and pursuant to the provisions of the Indenture of Trust, dated as of \_\_\_\_\_ 1, 2015, by and between the Agency and U.S. Bank National Association, as trustee (the “Indenture”).

Simultaneously with the issuance of the Series [2015A][2015B] Bonds, the Agency is issuing its Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series [2015A][2015B] (Federally Taxable)] (the “Series [2015A][2015B] Bonds”), in the aggregate principal amount of \$\_\_\_\_\_. The Series [2015A][2015B] Bonds are on a parity with the Series [2015A][2015B] Bonds. Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Agency payable from Tax Revenues as provided in the Indenture.

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

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

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

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

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

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

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes, and the Agency and the Trustee 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 amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and all additional tax allocation bonds authorized by the Indenture or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

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

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

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

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

[Remainder of page intentionally left blank]



**IN WITNESS WHEREOF**, the Successor Agency to the Redevelopment Agency of the City of Long Beach has caused this Bond to be executed in its name and on its behalf by its City [Director of Financial Management], acting for Successor Agency to the Redevelopment Agency of the City of Long Beach and attested by its City Clerk, acting for Successor Agency to the Redevelopment Agency of the City of Long Beach, and has caused this Bond to be dated as of the date above written.

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY  
OF LONG BEACH**

By \_\_\_\_\_  
[Director of Financial Management] of the City of  
Long Beach, acting for the Successor Agency to the  
Redevelopment Agency of the City of Long Beach

**ATTEST:**

\_\_\_\_\_  
City Clerk of the City of Long Beach, acting  
for Successor Agency to the Redevelopment  
Agency of the City of Long Beach

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

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

DATED: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
trustee

By: \_\_\_\_\_  
Authorized Officer

**[FORM OF ASSIGNMENT TO APPEAR ON BONDS]**

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

Date: \_\_\_\_\_

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

Signature Guaranteed:

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

**APPENDIX B**

**SCHEDULE OF SEMI-ANNUAL AND ANNUAL INTEREST AND  
PRINCIPAL PAYMENTS OF THE SERIES 2015 BONDS**

**SERIES 2015A BONDS**

**Annual Interest and Principal Payments:**

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
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**Semi-Annual Interest and Principal Payments:**

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt</u> <u>Service</u>
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**SERIES 2015B BONDS**

**Annual Interest and Principal Payments:**

<b><u>Period</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Debt Service</u></b>
<b><u>Ending</u></b>			

**Semi-Annual Interest and Principal Payments:**

<b><u>Period</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Debt Service</u></b>	<b><u>Annual Debt</u></b>
<b><u>Ending</u></b>				<b><u>Service</u></b>