



Sonoma County Consolidated Oversight Board

**Sonoma County
Consolidated Oversight Board Meeting**

May 22, 2020

8:30AM-10:30AM

This meeting will be held virtually to comply with the Governor's Executive Order N-29-20. Please see page 2 for instructions on making public comment

MEMBERS MAY NOT ATTEND THIS MEETING IN PERSON

Webex Access: <https://bit.ly/OBMay22>

Phone: [+1-408-418-9388](tel:+14084189388) Access Code: 622 722 704

Agenda

1. Call to Order and Roll Call

2. Public Comment on Non-Agenda Matters

Any member of the public desiring to address the Oversight Board on a matter that is not on the agenda. Each person is usually granted three minutes to speak, with a total comment period of 15 minutes; time limitations are at the discretion of the Chair.

3. Approval of Minutes from January 24, 2020 Meeting

The Board will discuss and may take action to approve the minutes from August 16, 2019 or may recommend changes to these minutes.

4. Report from the Sonoma County Community Development Commission

5. Successor Agency Business

Each Committee member will have an opportunity to discuss business related to Successor Agency agenda items and hear public comment.

- 5.1. City of Cloverdale: Tax Allocation Refunding Bonds
- 5.2. City of Cotati: Tax Allocation Refunding Bonds
- 5.3. City of Petaluma: Land Purchase Agreement

5. Scheduling of Next Consolidated Oversight Board Meeting

6. Adjournment



Sonoma County Consolidated Oversight Board

PUBLIC COMMENT PRIOR TO THE BOARD MEETING: Public Comment may be submitted via email to Darrin.Ohara@sonoma-county.org.

EMAIL PUBLIC COMMENT: To submit an emailed public comment to the Board, please submit your email to Darrin.ohara@sonoma-county.org with "OB Public Comment" in the subject line. Please provide your name, the agenda number(s) on which you wish to speak, and your comment. These comments will be emailed to all Board members.

PUBLIC COMMENT DURING THE BOARD MEETING: PUBLIC COMMENT USING WEBEX: Members of the public who join the Webex meeting, either through their web browser online or by calling in, will be able to provide live public comment at specific points throughout the meeting.

EMAIL PUBLIC COMMENT: One may also email public comment to Darrin.ohara@sonoma-county.org throughout the meeting. All emailed public comments will be read into the record.

Any writings or documents presented to a majority of the Community Development Committee regarding any item on this agenda will be made available for public inspection in the Sonoma County Community Development Commission office located at 1440 Guerneville Road, Santa Rosa, CA 95403 during normal business hours.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Administrative Services Officer at (707) 565-7520, as soon as possible to ensure arrangements for accommodation.

Language Services are available upon request if made at least 48 hours in advance of the meeting to help ensure availability. For more information or to request services: Contact (707) 565-7520

Servicios de idiomas se pueden consultar previa solicitud si se solicita por lo menos 48 horas antes de la reunión. Para más información o para solicitar servicios, de traducción llame al (707) 565-7520.

Sonoma County Consolidated Oversight Board
Minutes for January 24, 2020

1. Call to Order and Roll Call (8:30AM)

Michael Stanford called the meeting to order at 8:36 AM and roll was called

Committee Members Present: Steven Herrington, William Arnone, Michael Stanford, Grant Davis, Kate Jolley

Committee Members Absent: Chris Rogers, Nance Jones

CDC Staff Present: Darrin O’Hara, Administrative Aide; Trish Blue, Controller; Holly Kelley, Equity and Compliance Program Specialist;

2. Public Comment on Items No on the Agenda

Lloyd Guccione, Resident, spoke on process of meeting. He pointed out that there was no call for an approval of the agenda. There is no place for changes to the agenda should a committee or board member desire it. He pointed these out last August. You have not made an agenda item to address that issue. I still think it’s true that you do not have the authority, purview and wherewithal to set your own agendas. You should agendize an item to discuss that in the future. Nice job on the minutes. I wish you a good meeting.

3. Approval of Minutes from August 16, 2019 Meeting

Steven Herrington had a correction to the August 16 minutes, which should have identified a prior vote as a member of the Santa Rosa Oversight Committee, not School Board.

William Arnone: while talking about the bylaws, language should be updated that members should not be absent from 2 consecutive or three **out of five** throughout the year.

Steven Herrington made a motion to approve with proposed edits. William Arnone seconded

Ayes: Steven Herrington, William Arnone, Michael Stanford, Grant Davis, Kate Jolley

Nays: None

Abstain: None

Absent: Chris Rogers, Nance Jones

4. Report from the Sonoma County Community Development Commission

Darrin O’Hara, Administrative Aide, is going to work with Committee members to make sure forms are uniform.

Committee member Herrington asked that staff consult with counsel about whether we should have an agenda item on approving the agenda.

If there's not a refinance or anomaly to the ROPs, these should be listed as a consent item. These already go through several levels of review. William Arnone would prefer that approach as well, stating that calling out anomalies would be a more productive use of time rather than treating each as individual actionable items.

There is no legal reason why that can't be done.

Public Comment

Lloyd Guccione, resident, you began a discussion to streamline process. You only meet twice a year for two hours. You could whittle it down to half an hour, but the fact is that others have looked at this material is not sufficient justification for you to say I agree and have confidence so let's just move forward. Each party that looks at it has their own agenda and point of view that they will forward with their best arguments. It is your job to look at those individually and make sure that they meet a standard high enough that you feel justified to pass it on in the carrying out in your fiduciary responsibilities. It's whether you accept that you have a responsibility to carry out this duty or just be a board from the east indies.

William Arnone has a question on the level of review. Each municipality has a staff review, successor agency review, is there a staff review in the level we're at right now?

Darrin O'Hara – as staff of this board, I don't have expertise to review the actual material.

Steven Herrington: Even if we discuss as a consent item, we are still reviewing the materials. It will just make process much easier.

5. Successor Agency Business: Recognized Obligation Payment Schedule

William Arnone: In the context of doing this, I would like to make sure that any representatives from the municipalities with any anomaly or anything out of the ordinary if they could identify the item and the issue that they took their time today to be here to address. Please present these. With that caveat, I would support the approach of approving all as one motion.

Grant Davis also supports having representatives present who have come to present

Opportunity for public comment on the floor right now.

Michael Stanford – opens for public comment

Cliff Whigham, Coldwell Banker, came to address the homeless problem on the JRT and the tiger salamander restrictions on properties that have been annexed by the City of Santa Rosa. The land is tied up for development of any kind. There are 6 acres next to the JRT which, if they can get clearance for tiger salamanders, the City of Santa Rosa will waive the development fees. There's room to put 6 acres on Sebastopol Road and Britton, it's perfect for an encampment and it would be a 5 year temporary housing project. Los Guilicos is only for 90 days. The County can acquire the property on Sebastopol Rd and even lease it. I'm interested in finding answers for this homeless problem that produces results rather than pushing the problem around more. Million dollar homes are not the answer, hotels are not

the answer, temporary structures are. There are no tiger salamanders there or on any surrounding properties. Now that the property is annexed, we can put in sewers, streetlights, sidewalks. The Commission should take a part in finding clearances on this property. Lizards or people?

Member Herrington asked that the ROPs items be discussed in a sequential order to see if there is discussion or anomalies on any, and then approve all in one motion.

Lloyd, resident, would like the item that deals with the County (5.9) to be discussed separately, as it deals with the Springs, Roseland and LRR

Kate Jolley would like to hear from Rohnert Park because of the Loan Repayment (5.6B)

Santa Rosa – no anomalies

Cloverdale – no anomalies

Cotati – no changes

Healdsburg – no changes

Petaluma – no changes

5.6A Rohnert Park – No changes

5.6B Rohnert Park Bond Proceeds – This is a loan repayment that occurred to the city of Rohnert park from the CDC in regards to the eastside sewer pump project. That loan was paid off at the beginning of this fiscal year – 6 million total with a little over 2 million of payout going out shortly after the first of this year. This came from developer fees so they were able to close out the loan.

5.7- Sebastopol – no change

5.8 – Sonoma – no change

County of Sonoma – Trish Blue, Controller, there are no anomalies in this year's ROPs. We have two remaining development projects that are wrapping up and one bond proceed. That is going on as usual. Roseland and Highway 12 property are the two projects wrapping up. We expect to be able to fund the remaining amount in reserves. The only remaining tax increment is on the Roseland property. The related legal fleet vehicles and administrative costs.

Lloyd Guccione, resident, the County thinks differently than the other things you went through. The other things are separate entities. Each city is a separate redevelopment area, but the County has three redevelopment areas. It has become a bit of a mess from my perspective. It was openly admitted that the funds were comingled. The one project area that had a positive fund balance – money was used from that for projects outside of that area. That is an anomaly in redevelopment law. The request of the state meet and confer process when there was supposed to be disbursement to taxing entities had confusion too. The \$8 million+ for the Lower Russian River went to special districts went to taxing entities that were not part of the LRR redevelopment area. That can be ascertained by looking at Mr.

Wilkinson's report from May 2019 or the McKetti Audit. These need to be addressed, and I don't know how, but the best way is to set it up for discussion or agendaize it. It would be nice to see the issue resolved here, rather than elsewhere. Out of the ordinary – sometimes ordinary was wrong in the first place. There is no breakout of where the money of these reserves came from. It is important for us to figure this out.

Trish Blue, Controller, clarified that while the County chose to track the three separate areas, the State does not make that distinction in any successor agency. Disbursements of unused tax increment is under the purview of the Auditor-Controller-Tax-Collector, the Commission only controls what was tied into projects, and that is what we are discussing.

Windsor – no anomalies

Steven Herrington moved to approve all Recognized Obligation Payment Standards. William Arnone seconded.

Ayes: Steven Herrington, William Arnone, Michael Stanford, Grant Davis, Kate Jolley

Nays: None

Abstain: None

Absent: Chris Rogers, Nance Jones

6. Scheduling of next oversight board meeting

Darrin O'Hara, Administrative Aide, suggested that the board schedule two meetings between now and August, and one in August due to scheduling conflicts with City of Santa Rosa. Fridays in May are open.

The Board agreed on May 22, with acknowledgement that Kate would need to leave by 9:30. The next meeting would be August 28 2020. Both meetings would begin at 8:30AM.

7. Adjournment

Michael Stanford adjourned the meeting at 9:07AM.

Respectfully submitted,

Holly Kelley, Equity and Compliance Program Specialist

SONOMA COUNTY
CONSOLIDATED OVERSIGHT BOARD

TO: CHAIRPERSON AND CONSOLIDATED OVERSIGHT BOARD MEMBERS

FROM: SUSIE HOLMES, FINANCE DIRECTOR CITY OF CLOVERDALE

SUBJECT: APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, MAKING CERTAIN DETERMINATIONS, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO (ATTACHED).

AGENDA ACTION: APPROVAL OF RESOLUTION NO. 25

RECOMMENDATION

Adopt Resolution No. 25 approving the issuance of refunding bonds by the Cloverdale Successor Agency and related matters.

EXECUTIVE SUMMARY

Based on current interest rates, it appears that the 2015 Tax Allocation Refunding Bonds, Series A (“2015 Bonds”) previously issued by the Cloverdale Community Development Successor Agency (“Successor Agency”) may be refunded for savings benefiting all the affected taxing entities. Accordingly, on March 11, 2020, the Successor Agency approved Resolution No. SA 002-2020 Approving the Issuance of Refunding Bonds, Approving the Execution and Delivery of an Indenture of Trust and Escrow Agreement Relating Thereto and Providing for Other Matters Properly Relating Thereto, and requesting that the Sonoma County Consolidated Oversight Board (“Oversight Board”) approve the issuance of refunding bonds by the Successor Agency.

BACKGROUND

In December 2015, the Successor Agency issued its 2015 Bonds to refund its 2006 and 2007 Tax Allocation Bonds and its 2002 California Infrastructure Economic Development Bank Loan, thereby generating debt service savings for all the affected taxing entities. The 2015 Bonds can be refunded starting on August 1, 2020, with no prepayment premium.

Bill Fawell of W. J. Fawell Co., Public Finance, served as Municipal Advisor to the Successor Agency on the refunding of its 2015 Bonds. He provided the Successor Agency a proposal recommending refunding the 2015 Bonds in order to secure additional savings for all taxing entities in the Cloverdale Project Area and has assembled a financing team to complete the proposed refunding of the 2015 Bonds.

Financing Team

-Bill Fawell of W. J. Fawell Co., Public Finance, is serving as Municipal Advisor and will oversee the proposed refunding of the 2015 Bonds from start through closing, working directly with Successor Agency and City staff, the Oversight Board and DOF, and other members of the financing team to complete the proposed refunding. His duties include ensuring that all financing costs are appropriate and reviewing the pricing of the bonds when sold to ensure that market rates are obtained on the day of sale. As Municipal Advisor, W. J. Fawell Co., Public Finance has a fiduciary duty to the Successor Agency.

-Alamo Capital, as Bond underwriter, will be responsible for marketing an insured refunding bond issue of Successor Agency refunding bonds to both retail and institutional investors if a public offering of the refunding bonds is pursued. If a private placement of the refunding bonds is pursued, Alamo Capital would serve as placement agent. Alamo Capital will take the lead in obtaining an underlying bond rating from Standard & Poor's on the proposed refunding of the 2015 Bonds. Alamo Capital will also be responsible for obtaining quotes from municipal bond insurance companies and will assist with arranging the purchase of municipal bond insurance and possibly a surety in lieu of a cash funded debt service reserve fund. The firm will also run all refunding numbers and provide required calculations. An additional bond underwriting firm may also be hired to assist with the sale of the refunding bonds and all other investment banking tasks listed above for a public offering or private placement; a final determination will be made closer to the time of pricing.

-Jones Hall, the City of Cloverdale's longtime bond counsel firm, is serving as Bond Counsel and Disclosure Counsel (if a public offering is pursued). Jones Hall served as bond counsel to the Successor Agency on the refunding of the 2015 Bonds and acted as bond counsel to the City of Cloverdale on past debt issuance.

As Bond Counsel, Jones Hall prepares refunding documents and assists as needed with securing needed approvals from the Successor Agency, Oversight Board and DOF. Jones Hall also ensures that all proceedings comply with Federal and State laws, render required tax opinions and oversee financing closing. If a public offering is pursued, Jones Hall as Disclosure Counsel will prepare the Official Statement and continuing disclosure undertaking of the Successor Agency required for the refunding bonds offering. James Wawrzyniak, Jr. and David Fama, bond lawyers with Jones Hall with extensive experience with similar transactions, will oversee the provision of legal services.

-Dave Schey of HdLCC ("HdLCC") served as the Fiscal Consultant on the 2015 Bonds and will prepare the Fiscal Consultant Report for the proposed refunding. HdLCC will use their high level of expertise in property tax data base management to identify tax increment revenues available for debt service on the proposed refunding, based on current and projected assessed values and provide consultation to the financing team as needed.

HdLCC's work lays the foundation for obtaining a strong underlying bond rating and a municipal bond insurance commitment. Payment of professional fees to HdLCC as Fiscal Agent is not contingent on the successful sale of the proposed refunding.

-MUFG Union Bank, N.A. ("Union Bank") will serve in the role of Trustee on the proposed refunding bonds. Union Bank currently acts as the Paying Agent on the 2015 Bonds. In their role of Trustee on the proposed

refunding bonds, Union Bank will pay bondholders their principal and interest when due and administer the refunding bonds on behalf of the Successor Agency and bondholder(s). They will also act as the escrow agent and will hold refunding bond proceeds until the 2015 Bonds can be paid off on the redemption date.

-All financing team members, except for HdLCC, Fiscal Consultant, work on a contingent basis and would not be paid professional fees and expenses, until the proposed refunding closed and then out of financing proceeds. In this way, the Successor Agency can retain the financing team with no financial downside, should the proposed refunding not close for any reason that again is not anticipated.

The below chart represents the outstanding par amount of the 2015 Bonds and the approximate remaining average coupon.

Series 2015 Bonds	
Dated Date	12/23/2015
Original Par	\$26,809,000
Outstanding Par (As of 8/1/19)	\$24,379,000
Remaining Average Coupon	3.841%
Final Maturity	August 1, 2038

Refunding the 2015 Bonds and reducing the cost of debt service is consistent with the goals and objectives of the Dissolution Act. It has the effect of:

- Reducing the costs of the Successor Agency; and
- Generating additional funds to the taxing entities over time.

Currently, the financing team is recommending a public offering of the refunding bonds. However, the financing team will continually evaluate the municipal marketplace and recommend to the Successor Agency whether to continue pursuing a public offering of the refunding bonds or a private placement sale, which decision can be finalized once Department of Finance and all other necessary approvals are in place.

FISCAL IMPACT

How Taxing Entities Will Realize Savings from Proposed 2020 Refunding of Successor Agency, 2015 Bonds

The debt service on the 2015 Bonds is paid for by property taxes levied and collected within the Project Area. As a result of the proposed refunding of the 2015 Bonds, debt service savings would flow back to all taxing entities within the Project Area in the form of residual property taxes no longer needed for debt service and take into account estimated costs of issuance.

Taxing Entity	% Share of Residual Revenue Allocation	Avg. Annual Savings from Bond Refunding	Total Savings form Bond Refunding
County General	4.94%	7,232	137,409
Cloverdale Fire	5.36%	7,844	149,044
General #1 Sonoma County Water Agency	1.28%	1,879	35,699

Spring Lake Park SCWA	0.41%	606	11,518
Cloverdale Health Care	0.18%	261	4,951
North Sonoma County Air Pollution Con.	0.13%	195	3,699
Sotoyome Res. Cons. Land	0.02%	22	426
Cloverdale Unified	7.01%	10,267	195,066
Sonoma County Joint Junior College	9.26%	13,552	257,490
School Service Admin	3.59%	5,253	99,801
Cloverdale AWUF	22.26%	32,586	619,135
Schools Equalization Aid	0.58%	854	16,227
ERAF	9.06%	13,264	252,016
City of Cloverdale General Fund	22.07%	32,315	613,992
Warm Springs Dam	0.85%	1,244	23,640
Cloverdale Public Employee CALPERS Tax	12.99%	19,018	361,339
Total Residual Revenue Amount	100.00%	\$146,392	\$2,781,454

*As of 2/7/20. Assumes bond insurance & surety bond. Preliminary, Subject to change.

**Total may not add due to rounding.

Estimated Costs of Issuance

Listed below, is a table summarizing the estimated costs of issuance for the proposed refunding. Virtually all estimated costs of issuance are payable contingent on closing and then out of financing proceeds, so there is no financial downside for the Successor Agency should the proposed refunding not close for any reason that is not anticipated. The only cost that is not payable contingent on closing is the fee for the Fiscal Consultant Report, but the Successor Agency would be able to pay this from RPTTF. The costs of issuance for the refunding bonds (including bond insurance) is estimated at \$629,814, consisting of:

- City of Cloverdale reimbursable expenses and staff time (\$20,000),
- Municipal Financial Advisor (\$81,000) (including NTE expenses of \$3,000),
- Bond Counsel (\$83,000) (including NTE expenses of \$3,000),
- Disclosure Counsel (\$40,000),
- Underwriter (including UW Counsel) (\$168,760),
- Fiscal Consultant (\$22,500),
- Rating Agency (\$26,000),
- Credit Enhancement & Surety Bond to Bond Insurer (\$172,011)
- Trustee/Escrow Agent Fee (\$8,000), and
- other miscellaneous fees related to regulatory, closing of the bond transaction and contingency (\$8,543)

Refunding Analysis

The plan of finance is to refund the 2015 Bonds into a single series, or in two or more separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. As noted above, the method of sale may be either a public offering or a private placement.

This Analysis assumes issuance of two series of refunding bonds, with the substantially larger series issued on a tax-exempt basis and the substantially smaller series issued on a federally taxable basis. A final determination regarding the structure of the refunding bonds will be made closer to the time of sale, considering Federal tax laws, and will comply with the requirements of the Dissolution Act.

Financing Schedule

The refunding process is projected to close by August 27, 2020 as summarized in the financing schedule below, although this is dependent on market conditions, timing of necessary approvals, and other factors:

March 11, 2020	<ul style="list-style-type: none"> • Successor Agency Adopted Resolution approving Financing Documents – DONE
May 22, 2020	<ul style="list-style-type: none"> • Sonoma County Consolidated Oversight Board Meeting to approve and direct Successor Agency to proceed with refunding the 2015 Bonds
May 22, 2020	<ul style="list-style-type: none"> • Submit Oversight Board Resolution and Documents to Department of Finance • Start of 65-day Department of Finance Review Period
July 22, 2019	<ul style="list-style-type: none"> • Successor Agency Meeting to adopt Resolution approving Preliminary Official Statement (Prospectus) and Bond Purchase Agreement for the 2020 Bonds or Winning Private Placement Bidder if Private Placement is Pursued.
July 26, 2020	<ul style="list-style-type: none"> • End of Department of Finance Review Period
August 13, 2020	<ul style="list-style-type: none"> • Pricing of the Refunding Bonds/Finalizing Savings Analysis
August 27, 2020	<ul style="list-style-type: none"> • Closing of the Refunding Bonds

ATTACHMENTS

- 1.) Resolution No. 25 of the Sonoma County Consolidated Oversight Board Directing and Approving the Issuance of Refunding Bonds by the Cloverdale Community Development Successor Agency, Making Certain Determinations, and Providing for Other Matters Properly Relating Thereto.
- 2.) Resolution No. SA 002-2020 of the Cloverdale Community Development Successor Agency Approving the Issuance of Refunding Bonds, Approving the Execution and Delivery of an Indenture of Trust and Escrow Agreement Relating Thereto, and Providing for Other Matters Properly Related Thereto.
- 3.) Draft Form of Indenture of Trust.
- 4.) Draft Form of Escrow Agreement.
- 5.) Refunding Savings Analysis

CONTACT

Susie Holmes, Finance Director, Cloverdale Successor Agency
sholmes@ci.cloverdale.ca.us
 (707) 894-1715

RESOLUTION NO. 25

A RESOLUTION OF THE SONOMA COUNTY CONSOLIDATED OVERSIGHT BOARD DIRECTING AND APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, MAKING CERTAIN DETERMINATIONS, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter are to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic; and

WHEREAS, on January 11, 2012, pursuant to Resolution No. 003-2012, the City Council of the City of Cloverdale elected to serve as the Cloverdale Community Development Successor Agency (the "Successor Agency"), which has become the successor entity to the Former Agency pursuant to Section 34173 and other applicable law;

WHEREAS, pursuant to Section 34179, this Sonoma County Consolidated Oversight Board (this "Oversight Board") has been established;

WHEREAS, in order to refinance redevelopment activities of the Former Agency, the Successor Agency previously issued its Cloverdale Redevelopment Project 2015 Tax Allocation Refunding Bonds, Series A and Cloverdale Redevelopment Project 2015 Taxable Tax Allocation Refunding Bonds Series B, and only the Series A Bonds remain outstanding (such bonds, the "Prior Bonds");

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its 2020 Tax Allocation Refunding Bonds, which may be issued in one or more series on a federally taxable or tax-exempt basis in order to comply with Federal tax laws (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency by its resolution adopted on March 11, 2020 (the "Successor Agency Resolution") approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1);

WHEREAS, in the Successor Agency Resolution, the Successor Agency authorized the execution and delivery of the Indenture of Trust, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee, providing for the issuance of the Refunding Bonds;

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

WHEREAS, Sections 34177.5(f) and 34180(b) require Oversight Board approval of the issuance of the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Sonoma County Consolidated Oversight Board as follows:

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

Section 2. Determination of Savings. This Oversight Board acknowledges that the Debt Service Savings Analysis on file with the Secretary of the Oversight Board demonstrates that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters that would result from the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds. The Oversight Board finds that the issuance of the Refunding Bonds is in the financial interests of the taxing entities, provided that the limitations set forth in Section 34177.5(a)(1) are satisfied and the Savings Parameters are achieved.

Section 3. Direction and Approval of Issuance of the Bonds. As authorized by Sections 34177.5(f) and 34180(b), the Oversight Board hereby directs and authorizes the Successor Agency to undertake the refunding proceedings and approves the issuance of the Refunding Bonds, in one or more series, in an aggregate principal amount not to exceed the amount necessary to refund the Prior Bonds, pay issuance costs as permitted by applicable law (including premiums for a municipal bond insurance policy and/or a debt service reserve surety policy for the Refunding Bonds), and establish required debt service reserves, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters at the time of sale and delivery. The Refunding Bonds may be issued on a taxable or tax-exempt basis, as Successor Agency staff shall determine is necessary to comply with Federal tax laws. In addition, the Refunding Bonds may be sold via a public offering or on a private placement basis. The Oversight Board's approval of the issuance of the Refunding Bonds pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters.

Section 4. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City of Cloverdale for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds, to the extent not paid from property tax revenues available to the Successor Agency;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without requiring further approval of the Oversight Board, the California Department of Finance, the Sonoma County Auditor-Controller-Treasurer-Tax Collector or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance (as defined in Section 34171) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition, if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 5. Further Actions Authorized. The Successor Agency is authorized to take all such further actions as necessary to implement the intent of this Resolution, including without limitation, the execution of agreements required in connection with the issuance and sale of the Refunding Bonds by the Successor Agency.

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

DULY AND REGULARLY ADOPTED by the Sonoma County Consolidated Oversight Board this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. SA 002-2020

A RESOLUTION OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND ESCROW AGREEMENT RELATING THERETO, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter are to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic; and

WHEREAS, on January 11, 2012, pursuant to Resolution No. 003-2012, the City Council of the City of Cloverdale elected to serve as the Cloverdale Community Development Successor Agency (the "Successor Agency"), which has become the successor entity to the Former Agency pursuant to Section 34173 and other applicable law;

WHEREAS, in order to refinance redevelopment activities of the Former Agency, the Successor Agency previously issued its Cloverdale Redevelopment Project 2015 Tax Allocation Refunding Bonds, Series A and Cloverdale Redevelopment Project 2015 Taxable Tax Allocation Refunding Bonds, Series B, and only the Series A Bonds remain outstanding (such bonds, the "Prior Bonds");

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its 2020 Tax Allocation Refunding Bonds, which may be issued in one or more series on a federally taxable or tax-exempt basis in order to comply with Federal tax laws (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the form of, and authorize the execution and delivery of, an Indenture of Trust, by and between the Successor Agency and MUFJ Union Bank, N.A., as trustee, providing for the issuance of the Refunding Bonds (the "Indenture"), and an Escrow Agreement, by and between the Successor Agency and MUFJ Union Bank, N.A., as escrow agent (the "Escrow Agreement");

WHEREAS, pursuant to Section 34179, the Sonoma County Consolidated Oversight Board (the "Oversight Board") has been established;

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

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

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board resolution to the California Department of Finance, Successor Agency staff will cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds for approval by the Successor Agency at a subsequent meeting;

WHEREAS, the information required to be obtained and disclosed with respect to the Refunding Bonds by the Successor Agency in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

NOW, THEREFORE BE IT RESOLVED by the Cloverdale Community Development Successor Agency as follows:

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

2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds, in one or more series, under the Law and the Refunding Law in an aggregate principal amount not to exceed the amount necessary to refund the Prior Bonds, pay issuance costs as permitted by applicable law (including premiums for a municipal bond insurance policy and/or a debt service reserve surety policy for the Refunding Bonds), and establish required debt service reserves, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters at the time of sale and delivery. Subject to the foregoing, the Refunding Bonds may be issued in one or more series, and on a federally taxable or tax-exempt basis. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters.

3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor/Chair, the City Manager/Executive Director and the Finance Director, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the City Clerk/Secretary, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

4. Approval of Escrow Agreement. The form of the Escrow Agreement on file with the Successor Agency is hereby approved and the Authorized Officers are, each acting alone hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreement.

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

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

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City of Cloverdale for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds, to the extent not paid from property tax revenues available to the Successor Agency;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Sonoma County Auditor-Controller-Treasurer-Tax Collector or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition, and as provided by

Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

7. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Sonoma County Administrative Officer, the Sonoma County Auditor-Controller and the California Department of Finance.

8. Method of Sale of Refunding Bonds. The Successor Agency hereby approves the sale of the Refunding Bonds by the Successor Agency via a public offering. Following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and following submission of the Oversight Board approving resolution to the Department of Finance, the Successor Agency will, with the assistance of its outside consultants, prepare an official statement and cause preparation of a bond purchase agreement, both of which will be submitted to the Successor Agency for approval at a later meeting of the Successor Agency, without further approval by the Oversight Board or any other entity required. In no event shall the terms of sale of the Refunding Bonds result in a failure to meet the requirements of the Savings Parameters.

9. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency may sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

10. Municipal Bond Insurance and Reserve Fund Insurance Policy. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve surety policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and Underwriter, that such municipal bond insurance policy and/or debt service reserve fund insurance policy will reduce the true interest cost with respect to the Refunding Bonds.

11. Professional Services. The Authorized Officers are hereby authorized to retain, in connection with the issuance of the Refunding Bonds, W.J. Fawell & Co., Public Finance, as municipal advisor, HdL, as fiscal consultant, and Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel, and to an execute professional services agreement with each such firm. Alamo Capital is hereby selected as Underwriter, and the form of bond purchase agreement between the Successor Agency and the Underwriter will be considered for approval at a later meeting of the Successor Agency.

Additionally, the selection of MUFG Union Bank, N.A., as trustee for the Refunding Bonds and escrow agent for the Prior Bonds is hereby confirmed.

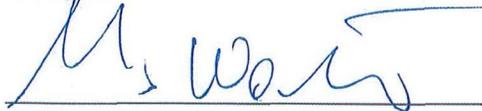
12. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or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

13. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing Resolution No. SA 002-2020 was duly introduced and adopted by the Cloverdale Community Development Successor Agency at its regular meeting held on the 11th day of March 2020, by the following roll call vote:

AYES:	(5)	Members Bagby, Brigham and Cruz, Vice Chair Turner and Chair Wolter
NOES:	(0)	None
ABSTAIN:	(0)	None
ABSENT:	(0)	None

APPROVED:



Gus Wolter, Agency Chair

ATTEST:



Irene Camacho-Werby, Agency Secretary



I, IRENE CAMACHO-WERBY, City Clerk of the City of Cloverdale, do hereby certify that the foregoing is a full, true, and correct copy of Successor Agency Resolution No. 002-2020 adopted by the City Council of the City of Cloverdale, acting as the Cloverdale Development Successor Agency Board of Directors, on the 11th day of March 2020.



Irene Camacho-Werby, City Clerk/Secretary



INDENTURE OF TRUST

Dated as of _____ 1, 2020

by and between the

CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY

and

**MUFG UNION BANK, N.A.,
as Trustee**

Relating to

\$ _____
**Cloverdale Community Development Successor Agency
2020 Tax Allocation Refunding Bonds, Series A**

and

\$ _____
**Cloverdale Community Development Successor Agency
2020 Taxable Tax Allocation Refunding Bonds, Series B**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____ 1, 2020, by and between the CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, a public entity duly organized and existing under the laws of the State of California (the "Successor Agency"), and MUFU UNION BANK, N.A. a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Law, and the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, on January 11, 2012, pursuant to Resolution No. 003-2012, the City Council of the City of Cloverdale elected to serve as the Successor Agency, which has become the successor entity to the Former Agency pursuant to Section 34173 and other applicable law;

WHEREAS, in order to refinance redevelopment activities of the Former Agency, the Successor Agency previously issued its Cloverdale Redevelopment Project 2015 Tax Allocation Refunding Bonds, Series A and Cloverdale Redevelopment Project 2015 Taxable Tax Allocation Refunding Bonds Series B, and only the Series A Bonds remain outstanding (such bonds, the "Prior Bonds");

WHEREAS, Section 34177.5 of the Law authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations, subject to the conditions precedent contained in said Section 34177.5;

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

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

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

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

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

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

“Bond” or “Bonds” means the Series A Bonds and the Series B Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Bond Year” means, any twelve-month period beginning on February 2 in any year and ending on the next succeeding February 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on February 1, 2021.

“Business Day” means a day of the year on which banks in San Francisco, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

“City” means the City of Cloverdale, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

“Closing Date” means the date on which the Bonds are delivered by the Trustee to the original purchaser thereof.

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

“Community Redevelopment Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

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

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to City, County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums (if any), transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Account” means the account by that name within the Bond Proceeds Fund established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Sonoma, a county duly organized and existing under the Constitution and laws of the State.

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

“Debt Service Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

“Defeasance Obligations” means (a) cash and (b) Federal Securities.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement, dated as of _____ 1, 2020, by and between the Successor Agency and the Escrow Agent, relating to the defeasance and refunding of the Prior Bonds.

“Escrow Agent” means MUFG Union Bank, N.A., as escrow agent under the Escrow Agreement.

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

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Successor Agency to the Trustee.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

“Former Agency” means the former Community Development Agency of the City of Cloverdale, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

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

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

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

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

(c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

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

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

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

[“Insurance Policy” means the Municipal Bond Insurance Policy relating to the Bonds issued by the Bond Insurer.]

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

“Interest Payment Date” means February 1 and August 1 of each year, commencing February 1, 2021, so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

“Maximum Annual Debt Service” means, as of the date of calculation with respect to a series of Bonds, the largest Annual Debt Service for such series of Bonds for the current or any future Bond Year.

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

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Sonoma County Consolidated Oversight Board, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

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

“Parity Debt” means any bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien in favor of the Bonds under this Indenture.

“Parity Debt Instrument” means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(d).

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

“Pass-Through Agreements” means the agreements of the Former Agency entered into with tax agencies pursuant to Section 33401 of the Law, consisting of the agreements with the County, the Sonoma County Library, the Cloverdale Unified School District and the Sonoma County Junior College District.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor

Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Successor Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash;
- (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;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
 - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and
 - (iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P or "Prime-1" by Moody's;
- (h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;
- (i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P or "Prime-1" by Moody's;

(j) money market funds (including funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) rated at least “Aam” or “AAm-G” by S&P or at least “Aa2” by Moody’s;

(k) “State Obligations”, which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least “Aa” by Moody’s or at least “AA” by S&P;

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated “A-1+” by S&P or “MIG-1” by Moody’s; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P or “Aa3” or better by Moody’s;

(l) pre-refunded municipal obligations rated “AAA” by S&P or “Aaa” by Moody’s meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) 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;

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

(iii) the principal of and interest on the U.S. 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 Report”);

(iv) the cash or U.S. 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;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P or "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P or "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA-" by S&P or "Aa3" by Moody's;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P or "Aa" by Moody's;

(o) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee; and

(p) the Sonoma County Investment Pool.

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

"Principal Corporate Trust Office" means the principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

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

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at the time of issuance of the letter of credit, insurance policy or surety bond is rated in the top two categories (without regard to modifiers) by either S&P or Moody's or any other nationally recognized statistical rating organization (NRSRO); (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the Reserve Requirement or, if such letter of credit, insurance policy or surety bond is being provided with respect to only a portion of the Reserve Requirement, such letter of credit, insurance policy or surety bond has a stated amount at least equal to that portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

"Recognized Obligation Payment Schedule" means the schedule by that name prepared in accordance with the requirements of Section 34177(l) of the California Health and Safety Code.

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

“Redevelopment Obligation Retirement Fund” means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

“Redevelopment Plan” means the Redevelopment Plan for the Cloverdale Redevelopment Project, approved by Ordinance No. 416.87 enacted by the City Council of the City on July 21, 1987, together with all amendments thereof duly authorized under the Law.

“Redevelopment Project” means the undertaking of the Former Agency under the Redevelopment Plan and the Redevelopment Law for the redevelopment of the Project Area.

“Redevelopment Property Tax Trust Fund” means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the Sonoma County Auditor-Controller.

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

“Prior Bonds” is defined in the Recitals.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Report” means a document in writing signed by an Independent Redevelopment Consultant and including:

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

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

(c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Reserve Insurer” or “Bond Insurer” means _____, or any successor thereto or assignee thereof, as issuer of the Reserve Policy [and the Insurance Policy].]

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy relating to the Bonds issued by the Reserve Insurer.]

“Reserve Policy Costs” means amounts required to repay draws on the Reserve Policy, and payment of expenses of the Reserve Insurer, and accrued interest on such draws and expenses at the Reserve Policy Late Payment Rate.]

“Reserve Policy Late Payment Rate” means _____.]

“Reserve Requirement” means, with respect to the Bonds and each series of Parity Debt issued in the form of Bonds for which a reserve is required, the least of:

- (i) 125% of the average Annual Debt Service with respect to that series of Bonds,
- (ii) Maximum Annual Debt Service with respect to that series of Bonds, or
- (iii) with respect to an individual series of Bonds, 10% of the original principal amount of such series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that the Reserve Requirement may be determined on a combined or individual basis for two or more series of Bonds, as determined by the Successor Agency and that in no event shall the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Debt Service Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Debt Service Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c).

In the event a Qualified Reserve Account Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Bonds (that is, no cash is being deposited or will remain deposited in the Debt Service Reserve Account or subaccount therein with respect to those series of Bonds), then, notwithstanding the foregoing definition, the Reserve Requirement will, with respect to those series of Bonds, be determined only at the time of the delivery of the Qualified Reserve Account Credit Instrument and will not be subject to increase or decrease at a later date.

“Series A Bond” means the “\$_____ Cloverdale Community Development Successor Agency 2020 Tax Allocation Refunding Bonds, Series A”.

“Series B Bond” means the “\$_____ Cloverdale Community Development Successor Agency 2020 Taxable Tax Allocation Refunding Bonds, Series B”.

“S&P” means S&P Global Ratings, and its successors.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“Semiannual Period” means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

“State” means the State of California.

“Subordinate Debt” means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds, and (ii) the Successor Agency’s obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service reserve account for any Parity Debt.

“Successor Agency” means the Cloverdale Community Development Successor Agency, a public entity duly organized and existing under the Law.

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

“Tax Revenues” means all taxes (including all payments, reimbursements, and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund for transfer to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding amounts payable by the Successor Agency to taxing entities pursuant to the Pass-Through Agreements or Sections 33607.5 and 33607.7 of the Law, unless such payments are subordinated to payments on the Bonds in accordance with the Law.

“Trustee” means MUFJ Union Bank, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the City Manager of the City or the Finance Director of the City or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

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

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Bonds. The Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law and shall be designated as "Cloverdale Community Development Successor Agency 2020 Tax Allocation Refunding Bonds," and shall be issued in the initial aggregate principal amount of \$_____.

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

Section 2.02. Terms of Bonds. The Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series A Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

The Series B Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first

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

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

Section 2.03. Redemption of Bonds.

(a) Optional Redemption. The Series A Bonds maturing on and after February 1, 20__ shall be subject to redemption, at the option of the Successor Agency on any date on or after February 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of Series A Bonds redeemed, plus accrued interest thereon to the date of redemption, without premium.

[The Series B Bonds are not subject to redemption prior to maturity.]

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem the Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least 45 days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee).

(b) Mandatory Sinking Fund Redemption – Series A Bonds. The Series A Bonds are also subject to redemption in part by lot, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of the Series A Bonds have been redeemed under subsection (a) above, the total amount of all future payments under this subsection (b) with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee):

Series A Bonds Maturing on February 1, 20__

Sinking Fund <u>Redemption Date</u>	Principal Amount to be <u>Redeemed</u>
--	--

Bonds Maturing on February 1, 20

Sinking Fund <u>Redemption Date</u>	Principal Amount to be <u>Redeemed</u>
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(c) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, (i) [to the Insurer and] to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

Such notice shall state the redemption date and the redemption price, shall state, in the case of an optional redemption pursuant to subsection (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption pursuant to subsection (a) above, by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

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

(d) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the

Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

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

(f) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

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

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

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

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

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

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

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

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

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and

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

Section 2.11. Book-Entry System. (a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal,

interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium (if any) on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS

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

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) On the Closing Date the proceeds of sale of the Series A Bonds shall be paid to the Trustee in the amount of \$_____, which is equal to (i) the purchase price of the Series A Bonds, less an Underwriter's discount of \$_____, plus an original issue premium of \$_____, less [(ii) a portion of the premium for the Reserve Policy (\$_____), and a portion of the premium for the Insurance Policy (\$_____)], which will be paid directly by the original purchaser of the Series A Bonds to the Bond Insurer/Reserve Insurer]. The Trustee shall apply the proceeds described in the previous sentence as follows:

(A) The Trustee shall deposit the amount of \$_____ in the Series A Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(B) The Trustee shall transfer the amount of \$_____ to the Escrow Agent, for deposit pursuant to the Escrow Agreement.

(b) On the Closing Date the proceeds of sale of the Series B Bonds shall be paid to the Trustee in the amount of \$_____, which is equal to (i) the purchase price of the Series B Bonds, less an Underwriter's discount of \$_____, plus an original issue premium of \$_____, less [(ii) a portion of the premium for the Reserve Policy (\$_____), and a portion of the premium for the Insurance Policy (\$_____)], which will be paid directly by the original purchaser of the Series B Bonds to the Bond Insurer/Reserve Insurer]. The Trustee shall apply the proceeds described in the previous sentence as follows:

(A) The Trustee shall deposit the amount of \$_____ in the Series B Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(B) The Trustee shall transfer the amount of \$_____ to the Escrow Agent, for deposit pursuant to the Escrow Agreement.

[(c) On the Closing Date, the Trustee shall deposit the Reserve Policy in the Debt Service Reserve Account.]

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund", which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account and within the Costs of Issuance Account the "Series A Subaccount" and the "Series B Subaccount." The Trustee may use the Bond Proceeds Fund for the deposits and transfers of proceeds of the sale of the Bonds set forth in Section 3.02. The moneys in the subaccounts of the Costs of Issuance Account shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the

obligation was incurred and that such payment is a proper charge against said fund. On the date which is 3 months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund to pay debt service on the Bond (with ____% attributable to the Series A Bonds and _____% attributable to the Series B Bonds), and the Trustee shall close the Bond Proceeds Fund and the Costs of Issuance Account.

Section 3.04. Prior Bonds Project Fund. There is hereby established with respect to the Project Area a separate and segregated fund to be known as the "Cloverdale Redevelopment Project Prior Bonds Project Fund (the "Prior Bonds Project Fund")", which the Successor Agency shall cause to be maintained and which shall be held in trust by the Successor Agency. On or before the Closing Date, the Successor Agency shall transfer from the Redevelopment Fund established and held by the Successor Agency pursuant to the legal documents for the Prior Bonds all amounts on deposit, and investments thereof, to the Prior Bonds Project Fund, being \$[12,000,000], to be applied as provided in this Section 3.04. The moneys in the Prior Bonds Project Fund shall be maintained separate and apart from other moneys of the Successor Agency. The moneys on deposit in the Prior Bonds Project Fund shall be used in the manner provided by the Law and the original bond covenants applicable to such funds, including the payment of debt service on the Bonds. The Successor Agency covenants that no funds on deposit in the Prior Bonds Project Fund shall be applied for any purpose not authorized by the Law.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds and any other Bonds secured by the Debt Service Reserve Account shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Reserve Account. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

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

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding or any amounts are due and owing to the Reserve Insurer in respect of the Reserve Policy.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the

Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. 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.

(b) Principal Account. On or before the 5th Business Day preceding each February 1 on which the principal of the Bonds becomes due and payable, including from sinking account payments, if any, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next February 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable, including from sinking account payments.

(c) Debt Service Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Debt Service Reserve Account," solely as security for payments on the Bonds and other Bonds secured thereby which are payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and said Bonds (if any). The Reserve Requirement for the Bonds shall be satisfied by the delivery of the Reserve Policy by the Reserve Insurer to the Trustee on the Closing Date.

The amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts.

The Trustee shall comply with all documentation relating to the Reserve Policy as shall be required to maintain the Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (c), including the reimbursement of all amounts due and owing to the Reserve Insurer in respect of the Reserve Policy.

The Successor Agency shall have no obligation to replace the Reserve Policy or to fund the Debt Service Reserve Account with cash if, at any time that the Bonds are Outstanding, amounts are not available under the Reserve Policy or if the rating of the claims-paying ability of the Reserve Insurer is downgraded or withdrawn.

In connection with the future issuance of Bonds pursuant to Section 5.02, the Successor Agency shall determine whether such Bonds shall be secured by the Debt Service Reserve Account.

Section 4.04. Reserve Policy. The Reserve Requirement for the Bonds will be satisfied in the form of the issuance of the Reserve Policy. The Trustee shall comply with all of the terms and provisions of the Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Debt Service Reserve Account, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy will be deposited into the Debt Service Reserve Account and applied for the purposes thereof.

[SECTION 4.05. Provisions Relating to Reserve Policy. So long as the Reserve Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the Reserve Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.]

[SECTION 4.06. Provisions Relating to Insurance Policy. So long as the Insurance Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the Insurance Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.

(a) No Superior Debt. The Successor Agency covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien in favor of the Bonds under this Indenture.

(b) Parity Debt. The Successor Agency may issue Parity Debt to refund all or a portion of the Outstanding Bonds provided that any such refunding shall be for savings in accordance with the requirements of Section 34177.5(a) of the Dissolution Act (or any comparable provision of any successor statute). In connection with the future issuance of Parity Debt pursuant to this Section 5.02(b), the Successor Agency shall determine whether Bonds shall be secured by the Debt Service Reserve Account, a separate reserve fund or no reserve fund at all; and whether or not Parity Debt other than Bonds shall be secured by a reserve fund.

Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt. Any Subordinate Debt shall be payable on the same dates as the Bonds and shall be in all respects, including security and payments, subordinate and junior to the Bonds and the replenishment of the Debt Service Reserve Account to the Reserve Requirement.

[Additional provisions related to the issuance of Parity Debt are set forth in Exhibit C.]

Section 5.03. Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within 270 days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to any series of Bonds, such series of Bonds shall be incontestable by the Successor Agency.

Section 5.07. Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds so as to enable the Sonoma County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Debt Service Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due hereunder on a timely basis, the Successor Agency acknowledges that, based on available funds and moneys to be received from the February 1, 2020 Recognized Obligation Payment Schedule distribution dates, the Successor Agency will have sufficient funds to pay debt service on the Bonds on February 1, 2021.

Thereafter, not later than February 1, 2021 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation

Payment Schedule to the State Department of Finance and to the Sonoma County Auditor-Controller that shall at least include the following amounts:

(i) 100% of the amount of principal and interest on the Bonds and any Parity Debt coming due and payable on the next succeeding August 1 and on each of the two Interest Payment Dates thereafter (as illustrated below);

(ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the Debt Service Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to the Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument hereunder or under an insurance or surety bond agreement,

in each annual Recognized Obligation Payment Schedule so as to enable the Sonoma County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.

By way of illustration, the amount requested from the January 2, 2022 Redevelopment Property Tax Trust Fund distribution shall include 100% of the amount of principal of and interest on the Bonds and any Parity Debt coming due and payable on August 1, 2022, February 1, 2023, and August 1, 2023.

The foregoing actions will also include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, ensure the receipt of amounts necessary for the payment of debt service so as to match, as closely as possible, the requirements of this Section 5.08.

[(e) If any amounts then due and payable to the Reserve Insurer under this Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to the Oversight Board and the State Department of Finance a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to the Reserve Insurer.]

[(f) The Successor Agency will not submit to the Oversight Board and the State Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 without the prior written consent of the Reserve Insurer, unless all amounts that could become due and payable to the Reserve Insurer under this Indenture would be included as a line item on the Last and Final Recognized Obligation Payment Schedule following approval of the requested amendment.]

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Series A Bonds are not so used as to cause the Series A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series A Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series A Bonds.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series A Bonds from the gross income of the Owners of the Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series A Bonds.

Section 5.15. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.15.

Section 5.16. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably

necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of at least 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

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

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

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

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

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

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed

to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made by a responsible employee or officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

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

(d) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

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

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

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

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that the directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially

reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

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

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

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

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

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

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

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Debt Service Reserve Account and the Costs of Issuance Account shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made pursuant to this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such

valuation through use of its automated pricing service as reflected on its trust accounting statements.

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

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

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

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

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

(c) to amend the Debt Service Payment Schedule set forth in Exhibit B to reflect the issuance of Parity Debt or to take into account the redemption of any Bond prior to its maturity; or

(d) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

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

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

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

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

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

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

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

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

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

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

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

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

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

Third, to the payment of any amounts owed to the Reserve Insurer hereunder.]

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with

respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however,* the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Reserve Insurer and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Reserve Insurer and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

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

(ii) by irrevocably depositing with the Trustee, in trust, or an escrow holder, in escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or a portion of Outstanding Bonds, including all principal and interest, or;

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

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

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

Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund.

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

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

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

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

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the

Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

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

If to the Successor Agency: Cloverdale Community Development Successor Agency
124 North Cloverdale Blvd.
Cloverdale, California 95425
Attention: Executive Director
Fax: (707) 894-3451

If to the Trustee: MUFG Union Bank, N.A.
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

[For notice provisions relating to the Bond Insurer/Reserve Insurer, see Exhibit C.]

The Successor Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

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

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the

Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY has caused this Indenture to be signed by its Executive Director, and attested by its Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CLOVERDALE COMMUNITY DEVELOPMENT
SUCCESSOR AGENCY**

By: _____
David Kelley
Executive Director

ATTEST:

Secretary

**MUFG UNION BANK, N.A.,
as Trustee**

By: _____
Authorized Officer

[Signature Page to Indenture of Trust dated as of _____ 1, 2020]

EXHIBIT A

(FORM OF BOND)
UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SONOMA

CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY
2020 [TAXABLE] TAX ALLOCATION REFUNDING BOND, [SERIES A/B]

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
 February 1, ____, _____, 2020

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before January 15, 2021, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2021 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of MUFG Union Bank, N.A., San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Cloverdale Community Development Successor Agency 2020 [Taxable] Tax Allocation Refunding Bonds, [Series A/B]" (the "Bonds"), in an aggregate principal amount of \$ _____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of _____ 1, 2020, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to defease and refund the Prior Bonds (as defined in the Indenture), to provide for a debt service reserve fund and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Debt Service Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

[*Series A:* The Bonds maturing on and after February 1, 20__ are subject to redemption, at the option of the Successor Agency on any date on or after February 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to 100% of the principal amount of Bonds redeemed, plus accrued interest thereon to the date of redemption.]

[*Series B:* The Bonds are not subject to optional redemption prior to maturity.]

[*Series A:* The Bonds are also subject to redemption in part by lot, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however,* that if some but not all of the Bonds have been redeemed under subsection (a) above, the total amount of all future

payments under this subsection (b) with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee):

Bonds Maturing on February 1, 20

<u>Sinking Fund Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
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Bonds Maturing on February 1, 20

<u>Sinking Fund Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
---	--

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

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

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

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

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor

Agency to pay the principal, interest or redemption 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 registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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

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

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

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Cloverdale Community Development Successor Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director, and attested by its Secretary, as of the Dated Date set forth above.

**CLOVERDALE COMMUNITY DEVELOPMENT
SUCCESSOR AGENCY**

By: _____
David Kelley
Executive Director

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

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

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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

**EXHIBIT B
DEBT SERVICE PAYMENT SCHEDULE**

\$ _____
**Cloverdale Community Development Successor Agency
2020 Tax Allocation Refunding Bonds**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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EXHIBIT C

PROVISIONS RELATING TO [THE INSURANCE POLICY AND THE RESERVE POLICY]

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

[To Come, If Applicable]

ESCROW AGREEMENT

Relating to the Refunding of:

\$26,809,000

***Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2015 Tax Allocation Refunding Bonds, Series A***

This ESCROW AGREEMENT (this "Agreement"), made and entered into as of _____ 1, 2020, by and among the CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, a public entity, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "Successor Agency"), and MUFG UNION BANK, N.A., national banking association duly organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Agent").

BACKGROUND:

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

WHEREAS, the Successor Agency succeeded to the rights and obligations of the Former Agency under the Redevelopment Law; and

WHEREAS, in order to refinance redevelopment activities of the Former Agency, the Successor Agency previously issued its Cloverdale Redevelopment Project 2015 Tax Allocation Refunding Bonds, Series A and Cloverdale Redevelopment Project 2015 Taxable Tax Allocation Refunding Bonds Series B, and the Series A Bonds remain outstanding in the principal amount of \$_____ (such bonds, the "Prior Bonds") pursuant to a Paying Agent Agreement, dated as of December 1, 2015 (the "2015 Agreement"), between the Successor Agency and MUFG Union Bank, N.A., as paying agent (the "2015 Paying Agent");

WHEREAS, the Successor Agency has determined to defease and optionally redeem the Prior Bonds via issuance of its 2020 Tax Allocation Refunding Bonds, Series A and Taxable Series B (together, the "2020 Bonds"), pursuant to an Indenture of Trust dated as of _____ 1, 2020 (the "2020 Indenture"), by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "2020 Trustee"); and

WHEREAS, the Prior Bonds are subject to redemption, at the option of the Successor Agency on any Business Day on or after August 1, 2020, as a whole or in part, at a redemption price equal to the par amount redeemed, together with accrued interest thereon to the date fixed for redemption, without premium; and

WHEREAS, the Successor Agency wishes to enter into this Agreement to provide for the proceeds of sale of the 2020 Bonds, together with other funds held by the Escrow Agent, to be deposited in an irrevocable special escrow fund created and maintained with the Escrow Agent for the purpose of providing for the defeasance and redemption of the outstanding Prior Bonds on August 1, 2020 (the "Redemption Date"); and

WHEREAS, the Escrow Agent has full powers to act with respect to said escrow fund and to perform the duties and obligations to be undertaken pursuant to this Agreement;

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

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

Section 2. Establishment of Escrow Fund. There is hereby created the Escrow Fund to be held by the Escrow Agent, separate and apart from any funds or accounts of the Escrow Agent or the Successor Agency, as irrevocable escrow accounts securing payment of principal of and interest on the Prior Bonds as hereinafter set forth.

All cash and Defeasance Securities (as defined herein) in the accounts within the Escrow Fund are hereby irrevocably pledged for the payment and prepayment of the Prior Bonds in accordance with the terms hereof. If at any time the Escrow Agent receives actual knowledge that the cash and amounts in the accounts within the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Agent will notify the Successor Agency of such fact and the Successor Agency will immediately cure such deficiency from any source of legally available funds.

As used herein, the term "Defeasance Securities" means the federal securities set forth on Exhibit A hereto and hereby incorporated herein.

The Escrow Agent may conclusively rely upon the verification report by [Robert Thomas CPA, LLC] dated _____, 2020, as to the sufficiency of the funds to make the payments by Section 5.

Without limiting Section 8, substitution of Defeasance Securities shall be permitted only upon receipt by the Escrow Agent of (a) an opinion of bond counsel to the Successor Agency that such substitution shall not affect the tax-exempt status of the Prior Bonds or the 2020 Bonds and (b) an updated verification report from [Robert Thomas CPA, LLC] or other independent accounting firm showing sufficiency of amounts required to defease and redeem the Prior Bonds.

Section 3. Deposit into Accounts within Escrow Fund; Investment of Amounts.

(a) Concurrently with the execution and delivery of the 2020 Bonds, the Successor Agency will cause to be transferred to the Escrow Agent for deposit into the Escrow Fund, the amount of \$_____, from the following sources:

- (i) from the proceeds of the 2020 Bonds, the amount of \$_____; and
- (ii) from the 2015 Paying Agent from funds on hand related to the Prior Bonds, the amount of \$_____.

(b) With respect to the aggregate \$_____ deposited into the Escrow Fund, the Escrow Agent will:

(i) invest \$_____ of the moneys deposited in the Defeasance Securities described in Exhibit A hereto; and

(ii) hold the remaining \$_____ in cash uninvested.

(c) The Defeasance Securities and cash will be deposited with and held by the Escrow Agent in the accounts within the Escrow Fund solely for the uses and purposes set forth herein. The Escrow Agent will have no lien upon or right of set off against the Defeasance Securities and cash at any time on deposit in any amounts in the Escrow Fund.

(d) The Escrow Agent may create such subaccounts within the Escrow Fund as it may require to accomplish the purposes of this Escrow Agreement.

Section 4. Instructions as to Application of Deposit. The total amount of Defeasance Securities and cash deposited in the Escrow Fund pursuant to Section 3 will be applied by the Escrow Agent to the payment and redemption of the Prior Bonds in accordance with the agreements governing the Prior Bonds on the date(s) and in the amounts set forth on Exhibit B hereto. Any amounts remaining in the Escrow Fund following the full payment and redemption of all of the Prior Bonds will be transferred by the Escrow Agent to the 2020 Trustee, for deposit to the debt service fund established and held by the 2020 Trustee with respect to the 2020 Bonds.

Section 5. Election to Redeem the Prior Bonds; Notices. The Successor Agency hereby irrevocably elects to optionally redeem all of the Prior Bonds on the Redemption Date. The Escrow Agent is hereby directed to mail, in accordance with the terms of the 2015 Agreement to the owner of the Prior Bonds, a Notice of Redemption, substantially in the form attached hereto as Exhibit C-1.

Section 6. Compensation to Escrow Agent. From proceeds of the 2020 Bonds or other lawfully available sources, the Successor Agency will pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase of any Defeasance Securities after the date hereof. Under no circumstances will amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes.

Section 7. Immunities and Liabilities of Escrow Agent.

(i) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Agreement and no implied duties or obligations will be read into this Agreement against the Escrow Agent.

(ii) The Escrow Agent will not have any liability hereunder except to the extent of its own gross negligence or willful misconduct.

(iii) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Successor Agency) and the opinion of such counsel will be full and

complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(iv) The Escrow Agent will not be responsible for any of the recitals or representations contained herein.

(v) The Escrow Agent will not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Securities deposited with it to pay the principal of, and interest on, the Prior Bonds.

(vi) The Escrow Agent will not be liable for any action or omission of the Successor Agency under this Agreement or any related agreement.

(vii) Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate will, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(viii) The Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and will be protected and indemnified, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(ix) The Escrow Agent may at any time resign by giving written notice to the Successor Agency of such resignation. The Successor Agency will promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective upon acceptance of appointment by a successor Escrow Agent. If the Successor Agency does not promptly appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Successor Agency may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Successor Agency appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Successor Agency will immediately and without further act be superseded by the successor Escrow Agent so appointed.

(x) The Successor Agency covenants to indemnify and hold harmless the Escrow Agent against any loss, liability or expense, including legal fees, in connection with the performance of any of its duties hereunder, except the Escrow Agent will not be indemnified against any loss, liability or expense resulting from its gross negligence or willful misconduct.

Section 8. Amendment. This Agreement may be amended by the parties hereto, (i) without the consent of the owners of the Prior Bonds, but only if such amendment is made (a) to cure, correct or supplement any ambiguous or defective provision contained herein, (b) to pledge additional security to the payment and prepayment of the Prior Bonds, or (c) to deposit additional monies for the purposes of this Agreement, or (ii) with the consent of 100% of the owners of the Prior Bonds outstanding, and only if there will have been filed with the Successor Agency and the Escrow Agent a written opinion of Jones Hall, A Professional Law Corporation, as special counsel, stating that any such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that any such amendment will not cause the portion of lease payments representing interest payable with respect to the Prior Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

Section 9. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 10. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 11. Severability. In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

**CLOVERDALE COMMUNITY DEVELOPMENT
SUCCESSOR AGENCY**

By: _____
David Kelley
Executive Director

**MUFG UNION BANK, N.A.,
*as Escrow Agent***

By: _____
Vice President

[Signature Page to Escrow Agreement dated as of _____ 1, 2020]

EXHIBIT A
DEFEASANCE SECURITIES

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>
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EXHIBIT B

SCHEDULE OF PAYMENT AND OPTIONAL REDEMPTION

Period Ending	Principal	Interest	Principal Optionally Redeemed	Total
8/1/2020	\$891,000.00	\$_____	\$23,488,000.00	\$_____

EXHIBIT C-1

FORM OF NOTICE OF REDEMPTION

\$26,809,000

***Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2015 Tax Allocation Refunding Bonds, Series A***

NOTICE IS HEREBY GIVEN, by the Cloverdale Community Development Successor Agency (the "Successor Agency") with respect to the captioned bonds (the "Bonds"), that it has irrevocably elected to optionally redeem all of the outstanding Bonds on August 1, 2020 (the "Redemption Date"). Amounts sufficient for such redemption have been deposited into an escrow fund held by MUFG Union Bank, N.A., as escrow agent, for such purpose.

The Bonds that the Successor Agency has elected to optionally redeem consist of the following:

<u>Maturity Date (September 1)</u>	<u>Outstanding Principal Amount⁽¹⁾</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2031 T	\$ 1,834,000	3.420%	N/A
2038 T	22,545,000	3.860	N/A

⁽¹⁾ Includes sinking-fund payment due August 1, 2020.

T Term Bond

Dated: _____, 2020

MUFG UNION BANK, N.A.,
as Paying Agent for the Bonds and as Escrow Agent

\$21,095,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A & Series B (Taxable)

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\$21,095,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A & Series B (Taxable)

Refunding Summary

Dated 08/27/2020 | Delivered 08/27/2020

	Cloverdale SA Series 2020A (Tax-Exempt)	Cloverdale SA Series 2020B (Taxable)	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$19,855,000.00	\$1,240,000.00	\$21,095,000.00
Reoffering Premium	3,087,751.00	-	3,087,751.00
Total Sources	\$22,942,751.00	\$1,240,000.00	\$24,182,751.00
Uses Of Funds			
Total Underwriter's Discount (0.800%)	158,840.00	9,920.00	168,760.00
Costs of Issuance	271,070.87	16,929.13	288,000.00
Gross Bond Insurance Premium	127,271.36	5,597.50	132,868.86
Surety Bond	36,414.40	2,728.00	39,142.40
Deposit to Current Refunding Fund	22,349,618.96	1,203,317.60	23,552,936.56
Rounding Amount	(464.59)	1,507.77	1,043.18
Total Uses	\$22,942,751.00	\$1,240,000.00	\$24,182,751.00

Flow of Funds Detail

State and Local Government Series (SLGS) rates for
Date of OMP Candidates

Primary Purpose Fund Solution Method	Net Funded	Net Funded	Net Funded
Total Cost of Investments	\$22,349,618.96	\$1,203,317.60	\$23,552,936.56
Total Draws	\$22,349,618.96	\$1,203,317.60	\$23,552,936.56

Issues Refunded And Call Dates

Cloverdale SA Series 2015 Series A&B - Refunded	8/27/2020		
Cloverdale SA Series 2015 Series A&B - Refunded		8/27/2020	

PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 2.678%(AIC)	2,293,814.18	29,050.18	2,398,809.24
Contingency or Rounding Amount	(464.59)	1,507.77	1,043.18
Net Present Value Benefit	\$2,293,349.59	\$30,557.95	\$2,399,852.42
Net PV Benefit / Refunded Principal	10.290%	2.546%	10.217%
Net PV Benefit / Refunding Principal	11.550%	2.464%	11.376%
Average Annual Cash Flow Savings	124,669.61	21,722.73	146,392.34
Total New Net D/S	28,925,310.00	1,272,158.61	30,197,468.61
Total Prior D/S	31,294,032.54	1,684,890.46	32,978,923.00
Total Cashflow Savings	2,368,722.54	412,731.85	2,781,454.39

Bond Statistics

Average Life	11.477 Years	1.569 Years	10.895 Years
Average Coupon	3.9803268%	1.6530212%	3.9606263%
Net Interest Cost (NIC)	2.6950319%	2.1629304%	2.6905277%
Bond Yield for Arbitrage Purposes	2.0098272%	2.0098272%	2.0098272%
True Interest Cost (TIC)	2.4624404%	2.1757547%	2.4599214%
All Inclusive Cost (AIC)	2.6699759%	3.5339640%	2.6776372%

Cloverdale SA Series 2020 | Issue Summary | 2/7/2020 | 11:57 AM

\$21,095,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A & Series B (Taxable)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2021	105,000.00	1.623%	342,152.15	447,152.15
06/30/2022	855,000.00	1.643%	798,132.06	1,653,132.06
06/30/2023	870,000.00	2.573%	784,084.40	1,654,084.40
06/30/2024	890,000.00	3.000%	761,700.00	1,651,700.00
06/30/2025	920,000.00	4.000%	735,000.00	1,655,000.00
06/30/2026	955,000.00	4.000%	698,200.00	1,653,200.00
06/30/2027	990,000.00	4.000%	660,000.00	1,650,000.00
06/30/2028	1,030,000.00	4.000%	620,400.00	1,650,400.00
06/30/2029	1,075,000.00	4.000%	579,200.00	1,654,200.00
06/30/2030	1,115,000.00	4.000%	536,200.00	1,651,200.00
06/30/2031	1,160,000.00	4.000%	491,600.00	1,651,600.00
06/30/2032	1,205,000.00	4.000%	445,200.00	1,650,200.00
06/30/2033	1,255,000.00	4.000%	397,000.00	1,652,000.00
06/30/2034	1,305,000.00	4.000%	346,800.00	1,651,800.00
06/30/2035	1,360,000.00	4.000%	294,600.00	1,654,600.00
06/30/2036	1,415,000.00	4.000%	240,200.00	1,655,200.00
06/30/2037	1,470,000.00	4.000%	183,600.00	1,653,600.00
06/30/2038	1,530,000.00	4.000%	124,800.00	1,654,800.00
06/30/2039	1,590,000.00	4.000%	63,600.00	1,653,600.00
Total	\$21,095,000.00	-	\$9,102,468.61	\$30,197,468.61

Yield Statistics

Bond Year Dollars	\$229,823.97
Average Life	10.895 Years
Average Coupon	3.9606263%
Net Interest Cost (NIC)	2.6905277%
True Interest Cost (TIC)	2.4599214%
Bond Yield for Arbitrage Purposes	2.0098272%
All Inclusive Cost (AIC)	2.6776372%

IRS Form 8038

Net Interest Cost	2.2577504%
Weighted Average Maturity	11.016 Years

\$21,095,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A & Series B (Taxable)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2021	447,152.15	447,152.15	449,560.80	2,408.65
06/30/2022	1,653,132.06	1,653,132.06	1,807,535.80	154,403.74
06/30/2023	1,654,084.40	1,654,084.40	1,806,699.70	152,615.30
06/30/2024	1,651,700.00	1,651,700.00	1,807,476.70	155,776.70
06/30/2025	1,655,000.00	1,655,000.00	1,806,806.70	151,806.70
06/30/2026	1,653,200.00	1,653,200.00	1,807,631.80	154,431.80
06/30/2027	1,650,000.00	1,650,000.00	1,806,896.30	156,896.30
06/30/2028	1,650,400.00	1,650,400.00	1,807,544.50	157,144.50
06/30/2029	1,654,200.00	1,654,200.00	1,807,499.20	153,299.20
06/30/2030	1,651,200.00	1,651,200.00	1,806,721.80	155,521.80
06/30/2031	1,651,600.00	1,651,600.00	1,807,137.30	155,537.30
06/30/2032	1,650,200.00	1,650,200.00	1,807,649.20	157,449.20
06/30/2033	1,652,000.00	1,652,000.00	1,806,783.80	154,783.80
06/30/2034	1,651,800.00	1,651,800.00	1,807,431.40	155,631.40
06/30/2035	1,654,600.00	1,654,600.00	1,806,898.10	152,298.10
06/30/2036	1,655,200.00	1,655,200.00	1,807,106.70	151,906.70
06/30/2037	1,653,600.00	1,653,600.00	1,806,960.70	153,360.70
06/30/2038	1,654,800.00	1,654,800.00	1,807,363.60	152,563.60
06/30/2039	1,653,600.00	1,653,600.00	1,807,218.90	153,618.90
Total	\$30,197,468.61	\$30,197,468.61	\$32,978,923.00	\$2,781,454.39

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	2,398,809.24
Net PV Cashflow Savings @ 2.678%(AIC)	2,398,809.24
Contingency or Rounding Amount	1,043.18
Net Present Value Benefit	\$2,399,852.42
Net PV Benefit / \$23,488,000 Refunded Principal	10.217%

Refunding Bond Information

Refunding Dated Date	8/27/2020
Refunding Delivery Date	8/27/2020

***Net D/S Excludes: Existing D/S**

\$21,095,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A & Series B (Taxable)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/01/2021	Serial Coupon	1.623%	1.623%	105,000.00	100.000%	-	-	-	105,000.00
02/01/2022	Serial Coupon	1.643%	1.643%	855,000.00	100.000%	-	-	-	855,000.00
02/01/2023	Serial Coupon	1.673%	1.673%	280,000.00	100.000%	-	-	-	280,000.00
02/01/2023	Serial Coupon	3.000%	1.050%	590,000.00	104.661%	-	-	-	617,499.90
02/01/2024	Serial Coupon	3.000%	1.100%	890,000.00	106.373%	-	-	-	946,719.70
02/01/2025	Serial Coupon	4.000%	1.200%	920,000.00	112.038%	-	-	-	1,030,749.60
02/01/2026	Serial Coupon	4.000%	1.320%	955,000.00	113.992%	-	-	-	1,088,623.60
02/01/2027	Serial Coupon	4.000%	1.440%	990,000.00	115.661%	-	-	-	1,145,043.90
02/01/2028	Serial Coupon	4.000%	1.510%	1,030,000.00	117.432%	-	-	-	1,209,549.60
02/01/2029	Serial Coupon	4.000%	1.620%	1,075,000.00	118.677%	-	-	-	1,275,777.75
02/01/2030	Serial Coupon	4.000%	1.740%	1,115,000.00	119.571%	-	-	-	1,333,216.65
02/01/2031	Serial Coupon	4.000%	1.850%	1,160,000.00	118.521%	c 2.021%	02/01/2030	100.000%	1,374,843.60
02/01/2032	Serial Coupon	4.000%	1.900%	1,205,000.00	118.047%	c 2.205%	02/01/2030	100.000%	1,422,466.35
02/01/2033	Serial Coupon	4.000%	1.930%	1,255,000.00	117.763%	c 2.344%	02/01/2030	100.000%	1,477,925.65
02/01/2034	Serial Coupon	4.000%	2.010%	1,305,000.00	117.012%	c 2.501%	02/01/2030	100.000%	1,527,006.60
02/01/2035	Serial Coupon	4.000%	2.070%	1,360,000.00	116.451%	c 2.623%	02/01/2030	100.000%	1,583,733.60
02/01/2036	Serial Coupon	4.000%	2.130%	1,415,000.00	115.894%	c 2.731%	02/01/2030	100.000%	1,639,900.10
02/01/2037	Serial Coupon	4.000%	2.190%	1,470,000.00	115.341%	c 2.826%	02/01/2030	100.000%	1,695,512.70
02/01/2038	Serial Coupon	4.000%	2.250%	1,530,000.00	114.790%	c 2.912%	02/01/2030	100.000%	1,756,287.00
02/01/2039	Serial Coupon	4.000%	2.300%	1,590,000.00	114.333%	c 2.983%	02/01/2030	100.000%	1,817,894.70
Total	-	-	-	\$21,095,000.00	-	-	-	-	\$24,182,751.00

Bid Information

Par Amount of Bonds	\$21,095,000.00
Reoffering Premium or (Discount)	3,087,751.00
Gross Production	\$24,182,751.00
Total Underwriter's Discount (0.800%)	\$(168,760.00)
Bid (113.837%)	24,013,991.00
Total Purchase Price	\$24,013,991.00
Bond Year Dollars	\$229,823.97
Average Life	10.895 Years
Average Coupon	3.9606263%
Net Interest Cost (NIC)	2.6905277%
True Interest Cost (TIC)	2.4599214%

\$19,855,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A

Refunding Summary

Dated 08/27/2020 | Delivered 08/27/2020

Sources Of Funds

Par Amount of Bonds	\$19,855,000.00
Reoffering Premium	3,087,751.00
Total Sources	\$22,942,751.00

Uses Of Funds

Total Underwriter's Discount (0.800%)	158,840.00
Costs of Issuance	271,070.87
Gross Bond Insurance Premium (44.0 bp)	127,271.36
Surety Bond	36,414.40
Deposit to Current Refunding Fund	22,349,618.96
Rounding Amount	(464.59)
Total Uses	\$22,942,751.00

Flow of Funds Detail

State and Local Government Series (SLGS) rates for
Date of OMP Candidates

Current Refunding Escrow Solution Method	Net Funded
Total Cost of Investments	\$22,349,618.96
Total Draws	\$22,349,618.96

Issues Refunded And Call Dates

Cloverdale SA Series 2015 Series A&B - Refunded	8/27/2020
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PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 2.670%(AIC)	2,293,814.18
Contingency or Rounding Amount	(464.59)
Net Present Value Benefit	\$2,293,349.59
Net PV Benefit / Refunded Principal	10.290%
Net PV Benefit / Refunding Principal	11.550%
Average Annual Cash Flow Savings	124,669.61
Total New Net D/S	28,925,310.00
Total Prior D/S	31,294,032.54
Total Cashflow Savings	2,368,722.54

Bond Statistics

Average Life	11.477 Years
Average Coupon	3.9803268%
Net Interest Cost (NIC)	2.6950319%
Bond Yield for Arbitrage Purposes	2.0098272%
True Interest Cost (TIC)	2.4624404%
All Inclusive Cost (AIC)	2.6699759%

Cloverdale SA Series 2020 | Cloverdale SA Series 2020 | 2/ 7/2020 | 11:57 AM

\$19,855,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2021	-	-	333,410.00	333,410.00
06/30/2022	-	-	779,400.00	779,400.00
06/30/2023	590,000.00	3.000%	779,400.00	1,369,400.00
06/30/2024	890,000.00	3.000%	761,700.00	1,651,700.00
06/30/2025	920,000.00	4.000%	735,000.00	1,655,000.00
06/30/2026	955,000.00	4.000%	698,200.00	1,653,200.00
06/30/2027	990,000.00	4.000%	660,000.00	1,650,000.00
06/30/2028	1,030,000.00	4.000%	620,400.00	1,650,400.00
06/30/2029	1,075,000.00	4.000%	579,200.00	1,654,200.00
06/30/2030	1,115,000.00	4.000%	536,200.00	1,651,200.00
06/30/2031	1,160,000.00	4.000%	491,600.00	1,651,600.00
06/30/2032	1,205,000.00	4.000%	445,200.00	1,650,200.00
06/30/2033	1,255,000.00	4.000%	397,000.00	1,652,000.00
06/30/2034	1,305,000.00	4.000%	346,800.00	1,651,800.00
06/30/2035	1,360,000.00	4.000%	294,600.00	1,654,600.00
06/30/2036	1,415,000.00	4.000%	240,200.00	1,655,200.00
06/30/2037	1,470,000.00	4.000%	183,600.00	1,653,600.00
06/30/2038	1,530,000.00	4.000%	124,800.00	1,654,800.00
06/30/2039	1,590,000.00	4.000%	63,600.00	1,653,600.00
Total	\$19,855,000.00	-	\$9,070,310.00	\$28,925,310.00

Yield Statistics

Bond Year Dollars	\$227,878.53
Average Life	11.477 Years
Average Coupon	3.9803268%
Net Interest Cost (NIC)	2.6950319%
True Interest Cost (TIC)	2.4624404%
Bond Yield for Arbitrage Purposes	2.0098272%
All Inclusive Cost (AIC)	2.6699759%

IRS Form 8038

Net Interest Cost	2.2621990%
Weighted Average Maturity	11.527 Years

\$1,240,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series B (Taxable)

Refunding Summary

Dated 08/27/2020 | Delivered 08/27/2020

Sources Of Funds

Par Amount of Bonds	\$1,240,000.00
Total Sources	\$1,240,000.00

Uses Of Funds

Total Underwriter's Discount (0.800%)	9,920.00
Costs of Issuance	16,929.13
Gross Bond Insurance Premium (44.0 bp)	5,597.50
Surety Bond	2,728.00
Deposit to Current Refunding Fund	1,203,317.60
Rounding Amount	1,507.77
Total Uses	\$1,240,000.00

Flow of Funds Detail

State and Local Government Series (SLGS) rates for
Date of OMP Candidates

Current Refunding Escrow Solution Method	Net Funded
Total Cost of Investments	\$1,203,317.60
Total Draws	\$1,203,317.60

Issues Refunded And Call Dates

Cloverdale SA Series 2015 Series A&B - Refunded	8/27/2020
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PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 3.534%(AIC)	29,050.18
Contingency or Rounding Amount	1,507.77
Net Present Value Benefit	\$30,557.95
Net PV Benefit / Refunded Principal	2.546%
Net PV Benefit / Refunding Principal	2.464%
Average Annual Cash Flow Savings	21,722.73
Total New Net D/S	1,272,158.61
Total Prior D/S	1,684,890.46
Total Cashflow Savings	412,731.85

Bond Statistics

Average Life	1.569 Years
Average Coupon	1.6530212%
Net Interest Cost (NIC)	2.1629304%
Bond Yield for Arbitrage Purposes	2.0098272%
True Interest Cost (TIC)	2.1757547%
All Inclusive Cost (AIC)	3.5339640%

Cloverdale SA Series 2020 | Cloverdale SA Series 2020 | 2/7/2020 | 11:57 AM

\$1,240,000

Cloverdale Community Development Successor Agency
Cloverdale Redevelopment Project
2020 Tax Allocation Refunding Bonds, Series B (Taxable)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2021	105,000.00	1.623%	8,742.15	113,742.15
06/30/2022	855,000.00	1.643%	18,732.06	873,732.06
06/30/2023	280,000.00	1.673%	4,684.40	284,684.40
Total	\$1,240,000.00	-	\$32,158.61	\$1,272,158.61

Yield Statistics

Bond Year Dollars	\$1,945.44
Average Life	1.569 Years
Average Coupon	1.6530212%
Net Interest Cost (NIC)	2.1629304%
True Interest Cost (TIC)	2.1757547%
Bond Yield for Arbitrage Purposes	2.0098272%
All Inclusive Cost (AIC)	3.5339640%

IRS Form 8038

Net Interest Cost	1.6530212%
Weighted Average Maturity	1.569 Years

SONOMA COUNTY CONSOLIDATED OVERSIGHT BOARD

TO: CHAIRPERSON AND CONSOLIDATED OVERSIGHT BOARD
MEMBERS

FROM: SUCCESSOR AGENCY TO THE COTATI COMMUNITY
REDEVELOPMENT SUCCESSOR AGENCY

SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE OF TAX ALLOCATION
REFUNDING BONDS, SERIES 2020

AGENDA ACTION: APPROVAL OF THIS RESOLUTION

RECOMMENDATION

It is recommended that the Sonoma County Consolidated Oversight Board (“Oversight Board”) approve a Resolution authorizing the issuance of Successor Agency to the Cotati Community Redevelopment Agency (“Successor Agency”) Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A (“2020 Bonds”), and authorizing certain other actions in connection therewith, which approval is conditioned upon the Successor Agency’s approval of the issuance of the 2020 Bonds.

EXECUTIVE SUMMARY

The Successor Agency has an opportunity to refinance its outstanding tax allocation bonds to reduce interest costs and generate savings to all of the affected taxing entities related to tax increment bonds issued by the former redevelopment agency.

Under current market conditions, the Outstanding Bonds (as defined below) can be refinanced and restructured to generate an estimated \$1.63 million of cash flow savings to all taxing entities through FY 2021-22 and net present value savings of approximately \$901,000 (11.2%). The savings would be divided among the taxing entities according to each agency’s residual allocation of the revenues.

BACKGROUND

In November 2001, the Cotati Community Redevelopment Agency (“Redevelopment Agency”) issued \$6,960,000 of Subordinate 2001 Tax Allocation Bonds, Series A (Cotati Redevelopment Project) (“2001 Bonds”) to pay costs of redevelopment activities of the Redevelopment Agency and to refund the Redevelopment Agency’s obligations under two lease agreements.

In June 2004, the Redevelopment Agency issued \$5,610,000 of 2004 Tax Allocation Refunding Bonds, Series A (Cotati Redevelopment Project) (“2004 Bonds”) to: (i) refund the Redevelopment Agency’s obligations under the Cotati Financing Authority Tax Allocation Bonds, 1993 Series A (City of Cotati Redevelopment Agency Project); (ii) refund its Subordinate 2001 Tax Allocation Bonds, Series B (Cotati Redevelopment Project); and (iii) refund other obligations of the Redevelopment Agency.

The 2001 and 2004 Bonds (collectively, the “Outstanding Bonds”) are secured by the non-housing tax increment of the Redevelopment Agency. A summary of the Outstanding Bonds is provided in the following table:

	2001 Bonds	2004 Bonds	Total
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt
Outstanding Par*	\$5,775,000	\$2,300,000	\$8,075,000
Current Interest Rate	5.00%	5.11%	5.03%
Final Maturity	9/1/2031	9/1/2035	
Redemption	Any Date	Any Date	

The Successor Agency has the opportunity to refinance the Outstanding Bonds with significant benefit to all of the affected taxing entities.

Working with its Municipal Advisor (NHA Advisors, LLC) and Placement Agent (Hilltop Securities), bids would be solicited from a number of financial institutions to purchase the proposed 2020 Bonds, which would be issued to refund and redeem the Outstanding Bonds.

Under current market conditions, the Outstanding Bonds can be refinanced and restructured to generate an estimated \$1.63 million of cash flow savings to all taxing entities through FY 2021-22 and net present value savings of approximately \$901,000 (11.2%). The savings would be divided among the taxing entities according to each agency’s residual allocation of the revenues.

The refinancing is subject to approval by the Successor Agency Board and State Department of Finance and must meet certain savings parameters.

FISCAL IMPACT

This refinancing will have no financial impact on the County.

ENVIRONMENTAL IMPACT

Exhibit A of this staff report includes information required to be disclosed in a meeting open to the public pursuant to SB 450. Such information includes true interest cost of the bonds, finance charge of the bonds, amount of proceeds received, and total payment amount.

ATTACHMENTS

1. Exhibit A: SB 450 Information
2. Resolution Authorizing the Issuance 2020 Bonds
3. Draft Indenture of Trust
4. Draft Escrow Agreement (2001A Bonds)
5. Draft Escrow Agreement (2004 Bonds)

CONTACT

Damien O’Bid, dobid@cotaticity.org , 707-665-3621
 Angela Courter, acourter@cotaticity.org, 707-665-4236

Exhibit A

For purposes of compliance with Section 5852.1 of the California Government Code, the following information has been provided by the Successor Agency's Municipal Advisor. The information set forth below are estimates subject to bids to be received from banks and the ability to issue the 2020 Bonds on a tax-exempt basis. Actual results will differ based on the terms and interest rate set forth in the winning bid.

- 1) True interest cost of the 2020 Bonds: 2.85%
- 2) Finance charge for the 2020 Bonds, including all fees and charges for third parties (including placement agent compensation, financial advisory fees, bond counsel fees, trustee fees and other payments to third parties): \$180,000
- 3) Amount of 2020 Bond proceeds expected to be received by the Successor Agency, net of payments identified in 2 above and any reserve fund established the 2020 Bonds: \$7,596,000
- 4) Total payment amount for the 2020 Bonds, being the sum of (a) debt service on the 2020 Bonds to final maturity, and (b) any financing costs not paid from proceeds of the 2020 Bonds: \$9,579,000

RESOLUTION NO. 26

**RESOLUTION OF THE CONSOLIDATED OVERSIGHT BOARD
FOR THE COUNTY OF SONOMA, APPROVING THE ISSUANCE
AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE
SUCCESSOR AGENCY TO THE COTATI COMMUNITY
REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN
OTHER ACTIONS IN CONNECTION THEREWITH**

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

WHEREAS, ABx1 26 (as amended by AB 1484 and SB 107, the “**Dissolution Law**”) dissolved redevelopment agencies, including the former Cotati Community Redevelopment Agency (the “**Former Agency**”), effective February 1, 2012; and

WHEREAS, pursuant to the Dissolution Law, the Successor Agency to the Cotati Community Redevelopment Agency (the “**Successor Agency**”) is the successor in interest to the Former Agency; and

WHEREAS, the Former Agency previously issued its Cotati Community Redevelopment Agency Subordinate 2001 Tax Allocation Bonds, Series A (Cotati Redevelopment Project), in the original aggregate principal amount of \$6,960,000 (the “**2001A Bonds**”); and

WHEREAS, the Former Agency previously issued its Cotati Community Redevelopment Agency 2004 Tax Allocation Refunding Bonds Series A (Cotati Redevelopment Project) in the original aggregate principal amount of \$5,610,000 (the “**2004 Bonds**” and, together with the 2001A Bonds, the “**Refunded Bonds**”); and

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

WHEREAS, the Successor Agency desires to issue tax allocation refunding bonds (the “**2020 Bonds**”) in an aggregate principal amount that is sufficient to refund all or a portion of the Refunded Bonds, and to irrevocably set aside a portion of the proceeds of such 2020 Bonds in a separate segregated trust fund which will be used to refund the outstanding Refunded Bonds being refunded, to pay costs in connection with the issuance of the 2020 Bonds and to make certain other deposits as required by an indenture of trust (the “**Indenture**”) by and between the Successor Agency and MUFG Union Bank, N.A.; and

WHEREAS, the 2020 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, Section 34179(j) of the Health and Safety Code provides for the appointment of a countywide oversight board (the “**Oversight Board**”) with specific duties to approve certain Successor Agency actions pursuant to Section 34180 of the Health and Safety Code and to direct the Successor Agency in certain other actions pursuant to Section 34181 of the Health and Safety Code;

BE IT RESOLVED by the Consolidated Oversight Board for the County of Sonoma:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. Subject to Section 8 hereof, the issuance by the Successor Agency of the 2020 Bonds, in one or more series on a taxable or tax-exempt basis, in an aggregate principal amount sufficient to refund all or a portion of the Refunded Bonds for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2020 Bonds pursuant to the Indenture to be approved by Section 2 of the Resolution of the Successor Agency to be adopted on or about May 26, 2020 (the “SA Resolution”) approving the issuance of the 2020 Bonds (as authorized by California Health and Safety Code

Section 34177.5(a) and (g)) is hereby approved. The 2020 Bonds may be issued as a single issue or from time to time in separate series, on a taxable or tax-exempt basis, as the Successor Agency shall determine. The approval of the issuance of the 2020 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds and the sale of the 2020 Bonds at a public or private sale.

SECTION 3. Subject to Section 8 hereof, the Successor Agency is authorized and directed to prepare, approve and execute the documents attached to the SA Resolution and such other documents, certificates and instruments as may be necessary or proper for carrying out the transactions contemplated by this Resolution, the SA Resolution, and the Indenture, including, as necessary, negotiate and enter into agreements relating to bond insurance and/or a reserve surety bond, the preparation of a notice of sale in connection with a competitive public sale, a bond purchase contract in connection with a negotiated public sale, a rate lock agreement and/or a private placement agreement in connection with a private sale, an official statement or private placement memorandum, continuing disclosure certificate, escrow or redemption instructions for the Refunded Bonds, requests for subordination of pass-through payments to any entities and related subordination agreements, and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

SECTION 4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2020 Bonds.

SECTION 5. The staff to the Successor Agency is hereby authorized and directed to file the SA Resolution and the Indenture, together with a certified copy of this Resolution of the Oversight Board, as provided in Sections 34179(h) and 34180 (j), with the Sonoma County Auditor-Controller and the State of California Department of Finance.

SECTION 6. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2020 Bonds are issued.

SECTION 7. This Resolution shall take effect in accordance with Section 34177.5(f) and 34179(h) of the Health and Safety Code.

SECTION 8. Notwithstanding any of the foregoing, the approvals set forth in this Resolution are contingent on and subject to the adoption by the Successor Agency of the SA Resolution. If the SA Resolution is not adopted by the Successor Agency, the approvals set forth in this Resolution shall be of no force and effect.

PASSED and ADOPTED by the Consolidated Oversight Board for the County of Sonoma, at a regular meeting on May 22, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair of the Consolidated Oversight Board for the
County of Sonoma

INDENTURE OF TRUST

Dated as of August 1, 2020

by and between the

**SUCCESSOR AGENCY TO THE COTATI
COMMUNITY REDEVELOPMENT AGENCY**

and

**MUFG UNION BANK, N.A.,
as Trustee**

Relating to

**\$ _____
Successor Agency to the Cotati Community Redevelopment Agency
Cotati Redevelopment Project
Tax Allocation Refunding Bonds, Series 2020A**

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INDENTURE OF TRUST

THE INDENTURE OF TRUST (this “**Indenture**”) is made and entered into and dated as of August 1, 2020, by and between the SUCCESSOR AGENCY TO THE COTATI COMMUNITY REDEVELOPMENT AGENCY, a public entity that is duly existing under the laws of the State of California (the “**Successor Agency**”), as successor to the Cotati Community Redevelopment Agency (the “**Former Agency**”), and MUFG UNION BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

RECITALS

A. The Former Agency was a public body, corporate and politic, that was duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State (collectively, as amended, the “**Law**”), including the power to issue bonds and incur debt for any of its corporate purposes.

B. A Redevelopment Plan for a redevelopment project known and designated as the “Cotati Redevelopment Project” was adopted and approved by Ordinance No. 461 of the City of Cotati on December 30, 1986, as amended to date, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with.

C. In order to finance and refinance redevelopment activities within or of benefit to the Redevelopment Project, the Former Agency issued its: (i) Cotati Community Redevelopment Agency Subordinate 2001 Tax Allocation Bonds, Series A (Cotati Redevelopment Project), in the original aggregate principal amount of \$6,960,000 (the “**2001A Bonds**”); and (ii) Cotati Community Redevelopment Agency 2004 Tax Allocation Refunding Bonds (Cotati Redevelopment Project) Series A in the original aggregate principal amount of \$5,610,000 (the “**2004 Bonds**” and, together with the 2001A Bonds, the “**Refunded Bonds**”).

D. By implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the redevelopment components of the Former Agency were dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26, which was signed into law by the Governor of the State on June 28, 2011 (as amended, the “**Dissolution Act**”), and on February 1, 2012, the Successor Agency, pursuant to the Dissolution Act, assumed the non-housing redevelopment duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Refunded Bonds and the related documents to which the Former Agency was a party.

E. Subsection (a)(1) of Section 34177.5 of the Health and Safety Code of the State (“**Section 34177.5**”) authorizes the Successor Agency to undertake proceedings for the refunding of outstanding redevelopment-related bonds and other obligations of the Former Agency, subject to the conditions precedent contained in Section 34177.5.

F. Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the

Government Code (the “**Refunding Law**”) for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5.

G. In order to provide moneys to refund the Refunded Bonds for the purpose of providing debt service savings in accordance with Subsection (a)(1) of Section 34177.5, the Successor Agency has determined to issue its Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A (the “**2020 Bonds**”).

H. The 2020 Bonds will be issued pursuant to and in accordance with the provisions of Subsection (a)(1) of Section 34177.5(a)(1), the Law and the Refunding Law.

I. In order to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture.

J. The Successor Agency has determined that all acts and proceedings which are required by law and necessary to make the 2020 Bonds, when executed by the Successor Agency and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

K. In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds (as defined below), including the 2020 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all of the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2020 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, including the 2020 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2020 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2020 Bonds in the manner and form provided in this Indenture.

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

“Annual Debt Service” means, for any Bond Year, the principal and interest payable on the Outstanding Bonds in such Bond Year.

“Bonds” means the 2020 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

“Bond Counsel” means: (a) Stradling Yocca Carlson & Rauth, a Professional Corporation; or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Register” means the registration books for the 2020 Bonds maintained by the Trustee in accordance with Section 2.08.

“Bond Year” means each twelve (12) month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2020 Bonds shall commence on the Closing Date and end on September 1, 2020.

“Business Day” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Designated Corporate Trust Office of the Trustee is located are required or authorized by law to close, or a day on which the Federal Reserve System is closed.

“City” means the City of Cotati.

“Closing Date” means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2020 Bonds is August __, 2020.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2020 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2020 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and the first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

“**County**” means the County of Sonoma.

“**Date of Taxability**” means the date from and for which interest on the 2020 Bonds is subject to federal income taxation as a result of a Determination of Taxability.

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

“**Defeasance Obligations**” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent that the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Department of the Treasury of the United States of America which have been stripped by the Department of the Treasury of the United States of America itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or “AAA”-rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

“**Department of Finance**” means the Department of Finance of the State of California.

“**Designated Corporate Trust Office**” means the designated corporate trust office of the Trustee in Los Angeles, California.

“**Determination of Taxability**” means any determination, decision, or decree made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that as a result of any actions or omissions of the Successor Agency or the Former

Agency with respect to the 2020 Bonds the interest payable on the Bonds is includable in the gross income for federal income tax purposes of the Bondowner, provided, however, that no such Determination of Taxability shall be deemed to have occurred if the Successor Agency is contesting such determination in good faith and is diligently proceeding to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the Successor Agency.

“Dissolution Act” means California Assembly Bill X1 26 signed into law by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participants” means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

“Escrow Bank” means MUFG Union Bank, N.A.

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

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if: (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code; (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code; (c) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt; or (d) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

“Former Agency” means the Cotati Community Redevelopment Agency.

“Indenture” means this Indenture of Trust, dated as of August 1, 2020, by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

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

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency or the City; (c) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and (d) is not connected with the Successor Agency or the City as an officer or employee of the Successor Agency or the City, but who may be regularly retained to make reports to the Successor Agency or the City.

“Information Services” means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

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

“Interest Payment Date” means each March 1 and September 1, commencing [March 1, 2021], for so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

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

“Original Purchaser” means _____, a _____.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto; and (d) Bonds which have been paid pursuant to Section 2.09 hereof.

“Oversight Board” means the Consolidated Oversight Board for the County of Sonoma, established pursuant to the Section 34179 of the Dissolution Act.

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

“**Parity Debt**” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2020 Bonds pursuant to Section 3.04, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

“**Parity Debt Instrument**” means a resolution, indenture of trust, supplemental indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, other than a Supplemental Indenture.

“**Pass-Through Agreements**” means the following agreements entered into between the Former Agency and various taxing agencies with respect to the allocation and transfer of certain Revenues from the Project Area:

(a) County/Library Agreement, dated March 31, 1987, by and among the Successor Agency, the County of Sonoma and the Sonoma County Library District;

(b) Fire District Agreement, dated June 9, 1987, by and between the Successor Agency and the Cotati Fire Protection District; and

(c) School District Agreement, dated July 7, 1987, by and between the Successor Agency and the Cotati-Rohnert Park Unified School District.

“**Permitted Investments**” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided that such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least “AAAm-G,” “AAAm” or “AAm,” and a rating by Moody’s of “Aaa,” “Aa1” or “Aa2” (such funds may include those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise), but excluding any such funds which have a floating net asset value;

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in clauses (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by the FDIC, including BIF and SAIF;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated “Aa” or better by Moodys’ and “AA” or better by S&P, or unconditionally guaranteed by an entity rated “Aa” or better by Moodys’ and “AA” or better by S&P;

(h) Commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1+” or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s, and “A-1+” by S&P; and

(k) The Local Agency Investment Fund that is administered by the State Treasurer for the investment of funds belonging to local agencies within the State, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

“**Pledged Tax Revenues**” means all taxes: (a) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to

Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws; and (b) that are deposited or available for deposit by the Auditor-Controller of the County in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

“Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

“Project Area” means the area within the Cotati Redevelopment Project.

“Rebate Fund” is defined in Section 4.04.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the Health and Safety Code of the State.

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

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to Section 34170.5(a) of the Health and Safety Code of the State and administered by the Successor Agency.

“Redevelopment Plan” means the Redevelopment Plan for the Cotati Redevelopment Project adopted and approved by Ordinance No. 461 of the City on December 30, 1986, as such Redevelopment Plan has previously been amended and as it may hereafter be amended in accordance with the law.

“Redevelopment Project” means the undertaking of the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

“Redevelopment Property Tax Trust Fund” means the fund by that name established pursuant to Sections 34170.5(b) and 34172(c) of the Health and Safety Code of the State and administered by the Auditor-Controller of the County.

“Refunded Bonds” has the meaning set forth in recital “C” above.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

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

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

made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Representation Letter” means a representation letter from the Successor Agency to, or other instrument or agreement of the Successor Agency with, DTC in which the Successor Agency, among other things, makes certain representations to DTC with respect to the Bonds, the payment thereof and delivery of notices with respect thereto.

“Responsible Officer” means, with respect to the Trustee, any officer within the corporate trust division (or any successor group or department of the Trustee) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

“ROPS Period” means each annual period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year, or such other period as provided in the Dissolution Act.

“RPTTF Distribution Date” means each January 2 and June 1, or such other dates as shall be provided by law for distribution of moneys from the Redevelopment Property Tax Trust Fund to the Successor Agency.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors.

“Section 34177.5” means Section 34177.5 of the Health and Safety Code of the State.

“Securities Depositories” means The Depository Trust Company; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“Special Fund” means the fund held by the Successor Agency established within the Redevelopment Obligation Retirement Fund pursuant to Section 4.02.

“State” means the State of California.

“Supplemental Indenture” means any supplement to this Indenture which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means the certificate by that name to be executed by the Successor Agency on a Closing Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Tax Sharing Statutes” means Section 33607.7, 33676 of the Law and, to the extent incorporated pursuant to such Section 33607.7, Section 33607.5 of the Law.

“Taxable Rate” means ____% per annum based on a 360-day year of twelve thirty day months.

“**Term Bonds**” means any portion of any Bonds payable from mandatory sinking fund payments.

“**Trustee**” means MUFG Union Bank, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“**2001A Bonds**” has the meaning set forth in recital “C” above.

“**2001A Escrow Agreement**” means the Escrow Agreement (2001A Bonds), dated as of the date of this Indenture, by and between the Successor Agency and the Escrow Bank and relating to the 2001A Bonds.

“**2004 Bonds**” has the meaning set forth in recital “C” above.

“**2004 Escrow Agreement**” means the Escrow Agreement (2004 Bonds), dated as of the date of this Indenture, by and between the Successor Agency and the Escrow Bank and relating to the 2004 Bonds.

“**2020 Bonds**” means the Successor Agency to the Cotati Community Redevelopment Agency Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A.

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

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

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01 Authorization of 2020 Bonds. An initial issue of Bonds is hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions of this Indenture. The initial issue of Bonds shall be designated the “Successor Agency to the Cotati Community Redevelopment Agency Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A.” The 2020 Bonds shall be issued in the initial aggregate principal amount of \$_____. The Bonds shall be initially registered in the name of the Original Purchaser and registered ownership may not thereafter be transferred except as set forth in Section 2.06.

Section 2.02 Terms of 2020 Bonds. The 2020 Bonds shall be issued in fully registered form without coupons. The 2020 Bonds shall be issued in denominations of one dollar. No 2020 Bond shall have more than one maturity date. The 2020 Bonds shall be dated as of their Closing Date.

The 2020 Bonds shall mature on September 1, 20__ and shall bear interest at an interest rate per annum equal to ____% (calculated on the basis of a 360-day year of twelve thirty-day months); provided, however, from and after the Date of Taxability following a Determination of Taxability, the interest rate shall be increased to the Taxable Rate.

Each 2020 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before [February 15, 2021], in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2020 Bond, interest thereon is in default, such 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2020 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2020 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2020 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2020 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Designated Corporate Trust Office of the Trustee.

Notwithstanding anything herein to the contrary, so long as the 2020 Bonds are owned by the Original Purchaser: (i) the Trustee shall pay principal of and interest and redemption premium on the Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with wire transfer instructions set forth below (or such other wire instructions as shall be filed by the Original Purchaser with the Trustee from time to time); (ii) other than with respect to payment at maturity, payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bonds by the Owner, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the redemption of Bonds under Section 2.03(b):

[Bank Wire Instructions - TO COME]

Reference: Successor Agency to the Cotati Community Redevelopment Agency, 2020 Bonds

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

Section 2.03 Redemption of 2020 Bonds.

(a) [Optional Redemption]. The 2020 Bonds are subject to optional redemption prior to their respective maturity dates, as a whole or in part, on any date on or after September 1, 20__, from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2020 Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty five (45) days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee), and shall transfer to the Trustee for deposit in the Debt Service Fund all amounts required for such redemption not later than the date fixed for such redemption.]

(b) Mandatory Sinking Fund Redemption. The 2020 Bonds shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; provided however, that if some but not all of such the 2020 Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2020 Bonds so redeemed, to be applied to the last sinking fund payments first (as reflected in a notice to be given by the Successor Agency to the Trustee, which shall include a revised sinking fund schedule).

2020 Bonds

September 1

Principal Amount

†

† Final Maturity.

(c) Notice of Redemption; Rescission. The Trustee, upon receipt of written request, on behalf, and at the expense, of the Successor Agency shall send notice of any redemption to the respective Owners of any Bonds designated for optional redemption at their respective addresses appearing on the Bond Register, and to the Original Purchasers of the Bonds if they continue to own Bonds proposed to be redeemed, at least twenty (20) but not more than sixty (60) days prior to the date fixed for redemption. Neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of an optional redemption, that such redemption is

conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Designated Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent; provided, however, the notice of rescission shall not be required to be mailed within the time period required for the notice of redemption.

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

(d) Partial Redemption of Bonds. In the event only a portion of the Bonds is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond of the same interest rate, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed, with the maturity of such new Bond to be determined after applying moneys in the Redemption Fund to redeem Bonds in reverse order of maturity, starting with the latest maturities first.

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

(f) Manner of Redemption. Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected in accordance with this Indenture. All Bonds redeemed or purchased pursuant to this Section 2.03 or pursuant to the provisions of a Supplemental Indenture shall be cancelled and disposed of by the Trustee, in accordance with its then customary practices.

Section 2.04 Form of 2020 Bonds. The 2020 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or its Chair or the written designee of

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

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

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Designated Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like series, tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

Ownership of the 2020 Bonds may be transferred in whole only, and only to a person or persons: (i) that the Owner reasonably believes is a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended; and (ii) that executes and delivers to the Trustee an investor letter in substantially the form attached hereto as Exhibit B.

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

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

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

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may, at the direction of the Successor Agency, pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.10 Book-Entry System.

(a) All Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each maturity date of the Bonds. The 2020 Bonds shall be initially registered in the Bond Register in the name of the Original Purchaser of the 2020 Bonds and shall not be delivered in book-entry form. Upon the request of the Owners of all Outstanding 2020 Bonds, the Successor Agency may elect to convert the 2020 Bonds to book-entry bonds and such 2020 Bonds shall become subject to the provisions of this Section 2.10. At the election of the Successor Agency, any additional series of Bonds may be issued as book-entry bonds registered in the name of the Cede & Co., as nominee of DTC, as provided herein, in which case the references in this Section 2.10 to "Bonds" shall be applicable to such series of Bonds.

(b) With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC

Participant or any other person, other than an Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the written order of the respective Owners, as shown in the Bond Register, as provided in Section 2.08, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Successor Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of the Successor Agency to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The delivery of the Representation Letter shall not in any way limit the provisions of clause (b) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond Register. The Trustee shall take all action necessary for all representations in the Representation Letter with respect to the Trustee to be complied with at all times.

(d) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Successor Agency, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Successor Agency determines that: (A) DTC is unable to discharge its responsibilities with respect to the Bonds; or (B) a continuation of the requirement that all Outstanding Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to clause (d)(ii)(B) above, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to clauses (d)(i) or (d)(ii)(A) above, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Successor Agency, is willing and able to undertake such functions upon reasonable and customary terms, the Successor Agency is obligated to deliver Bond certificates as described in this Indenture and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names DTC shall designate to the Trustee in writing, in accordance with the provisions of this Indenture.

(e) Notwithstanding any other provisions of this Indenture to the contrary, as long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 2.11 Applicability of Provisions to Additional Bonds. Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03(c) through (f) and 2.05 through 2.10 shall apply to all Bonds.

Section 2.12 CUSIP Numbers. The Trustee shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its reasonable judgment, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that the Trustee shall be not liable for any inaccuracies in such numbers. The Successor Agency will promptly notify the Trustee in writing of any change in the CUSIP numbers.

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

Section 3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the 2020 Bonds in the aggregate principal amount of \$_____, and the Trustee shall authenticate and deliver the 2020 Bonds upon the Written Request of the Successor Agency.

Section 3.02 Application of Proceeds of Sale and Certain Other Amounts. The proceeds received from the sale of the 2020 Bonds shall be deposited in trust with the Trustee, who shall deposit such proceeds in a temporary account called the Proceeds Fund which the Trustee shall establish and maintain, and the Trustee shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows (whereupon said temporary account shall be closed):

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

(ii) The Trustee shall transfer \$_____ to the Escrow Bank for deposit pursuant to the 2001A Escrow Agreement.

(iii) The Trustee shall transfer \$_____ to the Escrow Bank for deposit pursuant to the 2004 Escrow Agreement.

Section 3.03 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2020 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee

of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six (6) months following the Closing Date with respect to the 2020 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund, and the Costs of Issuance Fund shall be closed.

Section 3.04 Issuance of Parity Debt. The Successor Agency may not issue Parity Debt except to refund any Outstanding 2020 Bonds or other Parity Debt, in whole or in part, in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions, all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

- (a) No Event of Default hereunder or an event of default under any Parity Debt Instrument shall have occurred and be continuing unless cured by the issuance of such Parity Debt;
- (b) The Parity Debt shall be issued in compliance with Section 34177.5; and
- (c) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

Section 3.05 Issuance of Subordinate Debt. Notwithstanding the foregoing, to the extent permitted by the Law, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the Bonds or payable from sources other than Pledged Tax Revenues.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security. Subject to the provisions of Sections 4.02 and 6.06 allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, [including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Bonds,] are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2020 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, [including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Bonds,] and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, that the parties hereto acknowledge that the Auditor-Controller of the County is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 of the Dissolution Act and Section 95.3 of the

Revenue and Taxation Code, and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to the Pass-Through Agreements and Sections 33607.5, 33607.7 and 33676 of the Law (unless such payments are subordinated to payments on the 2020 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law and subsection (c) of Section 34177.5. Except for the Pledged Tax Revenues and amounts, funds and accounts that are described above, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2020 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2020 Bonds and other Bonds.

The Debt Service Fund and any fund or account created under this Indenture (except the Rebate Fund), including amounts on deposit therein (including proceeds of the 2020 Bonds), are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2020 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture (except the Rebate Fund), including amounts on deposit therein (including proceeds of the 2020 Bonds), and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture.

In consideration of the acceptance of the 2020 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2020 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2020 Bonds and other Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02 Redevelopment Obligation Retirement Fund; Special Fund; Deposit of Pledged Tax Revenues. There is hereby established a special fund to be known as the “Special Fund,” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period into the Special Fund promptly upon receipt thereof by the Successor Agency in accordance with Section 5.11 hereof. Except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, upon receipt by the Successor Agency of money from the Redevelopment Property Tax Trust Fund requested in accordance with Section 5.11 on each RPTTF Distribution Date and deposit of such amounts into the Special Fund, all Pledged Tax Revenues received by the Successor Agency in excess of such amounts shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law and the Dissolution Act, including but not limited to the payment of debt service on any subordinate debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in

the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or other Parity Debt Instrument.

Section 4.03 Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the “Debt Service Fund,” which shall be held by the Trustee hereunder in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided that, if on the fifth (5th) Business Day prior to the date that the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2020 Bonds, the Successor Agency shall immediately notify the Trustee in writing of the amount of any such insufficiency):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing on September 1, 20__, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. 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 redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fifth (5th) Business Day preceding September 1 in each year, commencing on [September 1, 2021], the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account on that date, will be equal to the principal becoming due and payable on the Outstanding Bonds, including pursuant to optional or mandatory sinking fund redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 upon all of the Outstanding Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, including by optional or mandatory sinking fund redemption, as the same shall become due and payable.

Section 4.04 Rebate Fund. The Trustee shall establish, when needed, a separate fund for the 2020 Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2020 Bonds will not be adversely affected, the Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the 2020 Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the 2020 Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall

be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

(i) Computation. Within fifty-five (55) days of the end of each fifth Bond Year with respect to the 2020 Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within fifty-five (55) days of the end of each fifth Bond Year with respect to the 2020 Bonds, upon the Finance Director’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.04(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Director, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(iii) Payment to the Treasury. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than sixty (60) days after the end of (A) the fifth Bond Year with respect to the 2020 Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than sixty (60) days after the payment of all the 2020 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

(b) In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 4.04(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which

such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(c) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2020 Bonds and the payments described in Section 4.04(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(d) Survival of Defeasance. Notwithstanding anything in this Section 4.04 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Bonds.

(e) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01 Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and Parity Debt Instruments and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues: (a) on a basis senior to the Bonds; or (b) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds or other Parity Debt, and then only if the requirements of Section 3.04 are met. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

Section 5.03 Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04 Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05 Books and Accounts; Financial Statements. The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the Original Purchaser and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency at the request of the Original Purchaser.

Section 5.06 Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to Bonds, the Bonds shall be incontestable by the Successor Agency.

Section 5.07 Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08 Taxation of Leased Property. All amounts derived by the Successor Agency pursuant to Section 33673 of the Law from the lease of property for redevelopment shall be treated as Pledged Tax Revenues for all purposes of this Indenture.

Section 5.09 Disposition of Property. The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2020 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security

of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition. This Section 5.09 shall not apply to the disposition of properties pursuant to the Successor Agency's Long Range Property Management Plan prepared pursuant to Health and Safety Code Section 34191.4.

Section 5.10 Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues as provided in the Dissolution Act.

Section 5.11 Tax Covenants. In connection with the 2020 Bonds and any other series of Bonds the gross income of interest on which is exempt for federal income tax purposes, the Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other monies or property which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The Successor Agency will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The Successor Agency will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Successor Agency will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(e) Hedge Bonds. The Successor Agency will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause any Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(f) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by

the Successor Agency in connection with each issuance of Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 5.12 Compliance with the Dissolution Act. The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

Further, the Successor Agency covenants to take all actions required under the Dissolution Act to include all scheduled debt service on the Bonds in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the Auditor-Controller of the County to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period, as well as the other amounts set forth above.

In the event that the provisions set forth in the Dissolution Act as of the Closing Date of the 2020 Bonds which relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2020 Bonds and other Parity Debt and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of: (a) not less than one half of the debt service due during each calendar year on all Outstanding Bonds prior to March 1 of such calendar year; and (b) the remainder of debt service due during such calendar year on all Outstanding Bonds prior to September 1 of such calendar year.

The Trustee may (and, at the request of any Owner, shall) or the Owner may, take such actions as may be necessary and appropriate, including seeking a writ of mandamus or other specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.11.

Section 5.13 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 5.14 Costs and Expenses. Subject to the following sentence, the Successor Agency agrees to pay the reasonable out-of-pocket expenses and disbursements of the Owners and the necessary and reasonable fees, expenses and disbursements of counsel to the Owners in connection with: (a) obtaining any waiver or consent under this Indenture (whether or not the transactions contemplated thereby shall be consummated) or any Event of Default hereunder; (b) the preparation, execution, delivery, administration, defense and enforcement or preservation of rights in connection with a workout, restructuring or waiver with respect to the Bonds; and (c) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

Section 5.15 Annual Reporting to Bondowner.

(a) The City hereby covenants and agrees that, on or prior to March 31 of each year (commencing March 31, 2021), it shall provide to the Original Purchaser the following information: (i) audited financial statements of the City, (ii) the principal amount of 2020 Bonds outstanding, and (iii) [TO COME].

ARTICLE VI

THE TRUSTEE

Section 6.01 Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, upon thirty (30) days' prior written notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee: (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing); or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (f) below, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all of the moneys, estates, properties,

rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or at the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default occurs with respect to any Bonds of a Responsible Officer of the Trustee has actual knowledge, as provided in Section 6.03(d), then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Successor Agency agrees that, so long as any Bonds are Outstanding, the Trustee shall be a financial institution having a trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign promptly in the manner and with the effect specified in this Section.

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

Section 6.03 Liability of Trustee.

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the

correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have notice or knowledge (in each case, either actual or constructive) of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Designated Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Special Fund and the investment and application of moneys on deposit in the Special Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder,

or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

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

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

(j) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (the “**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means (“**Electronic Means**” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (the “**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular

needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(k) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, pandemics, public emergencies, quarantine restrictions, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, or, as a result of the foregoing, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(l) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(m) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel of its selection, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or willful misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

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

Section 6.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable written notice to the inspection of and copying by the

Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06 Compensation and Indemnification. The Successor Agency shall pay to the Trustee compensation, as previously agreed upon in writing, for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel).

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

Section 6.07 Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in a Written Request of the Successor Agency filed with the Trustee. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses, fees, taxes or other charges arising from any investments, reinvestments or liquidations made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive

brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will, upon receipt of written request, furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing computerized securities pricing services that may be available to it including those available through its regular accounting system.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Successor Agency at their present value (within the meaning of Section 148 of the Code).

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

Section 6.09 Other Transactions with Agency. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THE INDENTURE

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

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, including any

covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

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

(c) to provide for the issuance of Parity Debt in accordance with Section 3.05; or

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

(e) to comply with amendments or supplements to the Dissolution Act; or

(f) [to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.]

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

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

Section 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Designated Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in

exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Designated Corporate Trust Office of the Trustee, without cost to such Owners.

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

Section 7.05 Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exemption of interest on the 2020 Bonds from gross income for federal income tax purposes or from personal income taxation by the State.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01 Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Successor Agency of written notice from the Trustee or written notice from any Owner (with a copy of said notice delivered to the Trustee) of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time;

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

(d) The principal of any Parity Obligation shall be declared immediately due and payable under the terms of a Parity Debt Instrument.

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

Immediately upon a Responsible Officer of the Trustee receiving written notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee (including the allocated costs and disbursements of its in-house counsel) and any and all other defaults actually known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee, may, on behalf of the Owners of all of the Bonds then Outstanding, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02 Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the 2020 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding 2020 Bonds or Parity Debt (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the 2020 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

Section 8.03 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own reasonable judgment or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its reasonable judgment for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation, it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Owners.

Section 8.04 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Successor Agency and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the

written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.06 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact; provided, however, that the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel).

Section 8.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08 Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Special Obligations. The Bonds are special obligations of the Successor Agency secured by a pledge and lien as described in Section 4.01 hereof. The Bonds are not debts, liabilities or obligations of the City, the State or any of its political subdivisions, and neither the City, the State or any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

Section 9.02 Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 9.03 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all of the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.04 Discharge of Indenture. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

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

(b) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

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

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03 or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other amounts, funds and accounts described in Section 4.01 hereof and

all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only: (i) the covenants of the Successor Agency hereunder with respect to the Code; (ii) the obligation of the Trustee to transfer and exchange Bonds hereunder; (iii) the obligations of the Successor Agency under Section 6.06 hereof; and (iv) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event that the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency.

Section 9.05 Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

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

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

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge or notice (in each case either actual or constructive) that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or a Responsible Officer of the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.06 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 9.11 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 9.12 Execution in Counterparts and Electronic Signing. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Indenture or any document to be signed in connection with this Indenture shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

Section 9.13 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 9.14 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE COTATI COMMUNITY REDEVELOPMENT AGENCY has caused this Indenture to be signed in its name by its Executive Director, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE COTATI
COMMUNITY REDEVELOPMENT AGENCY

By: _____
Executive Director

MUFG UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

(FORM OF 2020 BOND)

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE, INCLUDING THE DELIVERY TO THE TRUSTEE OF AN INVESTOR LETTER IN THE FORM REQUIRED BY THE INDENTURE. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE SHALL BE VOID AND OF NO EFFECT.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE
COTATI COMMUNITY REDEVELOPMENT AGENCY
COTATI REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BOND, SERIES 2020A**

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
_____ %	September 1, 20__	_____, 2020	

REGISTERED OWNER: _____

PRINCIPAL SUM: _____ **DOLLARS**

The SUCCESSOR AGENCY TO THE COTATI COMMUNITY REDEVELOPMENT AGENCY, a public entity that is duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this 2020 Bond, unless: (i) this 2020 Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (ii) this 2020 Bond is authenticated on or before [February 15, 2021], in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this 2020 Bond, interest is in default on this 2020 Bond, this 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this 2020 Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year,

commencing [March 1, 2021] (each an “Interest Payment Date”), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this 2020 Bond at the Designated Corporate Trust Office (the “Designated Corporate Trust Office”) of MUFG Union Bank, N.A., in San Francisco, California, as trustee (the “Trustee”). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner’s address as it appears on the Registration Books maintained by the Trustee at the close of business on the preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the 2020 Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This 2020 Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Cotati Community Redevelopment Agency Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A” (the “2020 Bonds”), of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in this Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), entered into by and between the Successor Agency and the Trustee, providing for the issuance of the 2020 Bonds.

The 2020 Bonds are being issued in the form of registered 2020 Bonds without coupons. Additional Parity Debt may be issued on a parity with the 2020 Bonds, but only subject to the terms of this Indenture. Reference is hereby made to this Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the 2020 Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in this Indenture), the rights thereunder of the Registered Owners of the 2020 Bonds, the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this 2020 Bond, by acceptance hereof, assents and agrees. Capitalized terms which are not otherwise defined herein shall have the meanings given them in this Indenture.

Notwithstanding anything herein or in this Indenture to the contrary, so long as the 2020 Bonds are owned by ____, a ____ (the “Original Purchaser”): (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the 2020 Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with the wire transfer instructions set forth in this Indenture (or such other wire instructions as shall be filed by the Original Purchaser with the Trustee from time to time); (ii) payments of principal on the bonds shall be made without the requirement for presentation and surrender of the 2020 Bonds by the Owner; and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in this Indenture.

The 2020 Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in this Indenture) and to pay certain expenses of the Successor Agency in issuing the 2020 Bonds.

The 2020 Bonds are special obligations of the Successor Agency and this 2020 Bond and the interest hereon and on all other 2020 Bonds and the interest thereon (to the extent set forth in this Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of Sonoma, subject to the payment of the County's administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in this Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under this Indenture (other than the Rebate Fund), and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and this Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in this Indenture), into which Pledged Tax Revenues deposited by the Auditor-Controller of the County of Sonoma in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the 2020 Bonds and any additional Bonds (as defined in this Indenture).

[The 2020 Bonds are subject to optional and mandatory sinking fund redemption as described in this Indenture.]

If an Event of Default, as defined in this 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 this Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in this Indenture.

The 2020 Bonds are issuable as fully registered 2020 Bonds without coupons in denominations of one dollar. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in this Indenture, 2020 Bonds may be exchanged for a like aggregate principal amount of 2020 Bonds of other authorized denominations and of the same series, tenor and maturity.

This 2020 Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Designated Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in this Indenture. Notwithstanding the foregoing, ownership of the 2020 Bonds may be transferred in whole only, but only to a person or persons: (i) that the Owner reasonably believes is a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended; and (ii) that executes and delivers to the Trustee an investor letter in substantially the form attached to this Indenture as Exhibit B. Upon registration of such transfer a new fully registered 2020 Bond or 2020 Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange:

(a) any 2020 Bond during the fifteen (15) days prior to the date established for the selection of 2020 Bonds for redemption, if any; or (b) any 2020 Bond selected for redemption, if any.

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

The rights and obligations of the Successor Agency and the Registered Owners of the 2020 Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in this Indenture, but no such modification or amendment shall: (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond; or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent.

This 2020 Bond is not a debt, liability or obligation of the City, the State of California or any of its political subdivisions, and neither said City, said State or any of its political subdivisions is liable hereon, nor in any event shall this 2020 Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The 2020 Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this 2020 Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this 2020 Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of 2020 Bonds permitted to be issued under this Indenture.

This 2020 Bond shall not be entitled to any benefit under this Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor to the Cotati Community Redevelopment Agency has caused this 2020 Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Executive Director as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE COTATI
COMMUNITY REDEVELOPMENT AGENCY

By: _____
Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 2020 Bonds described in the within-mentioned Indenture.

Authentication Date: _____, 20__

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)
_____ attorney,

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

Dated: _____

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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

EXHIBIT B

**§ _____
Successor Agency to the Cotati Community Redevelopment Agency
Cotati Redevelopment Project
Tax Allocation Refunding Bonds, Series 2020A**

FORM OF INVESTOR LETTER

_____, 2020

Successor Agency to the Cotati Community Redevelopment Agency
Cotati, California

MUFG Union Bank, N.A.,
San Francisco, California

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges receipt of \$ _____ in aggregate principal amount of the above-captioned bonds (the “Bonds”), dated _____, 2020 in fully registered form and bearing interest from the date thereof. The Bonds have been issued pursuant to an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), entered into by and between the Successor Agency to the Successor Agency to the Cotati Community Redevelopment Agency (the “Agency”) and MUFG Union Bank, N.A., as trustee.

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor hereby certifies that it is a “qualified institutional buyer” within the meaning of Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended (the “Act”) and applicable state securities laws.

2. The Investor (a) is a bank, any entity directly or indirectly controlled by a bank or under common control with a bank, and is not a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934 or a consortium of such entities; and (b) has the present intent to hold the Bonds in its loan account to maturity or earlier redemption or mandatory tender; provided, however, that the Investor shall not be precluded from transferring its interest in the Bonds, in whole, in accordance with the terms and conditions set forth in this Indenture. The Investor understands that it may need to bear the risks of holding this loan for an indefinite period of time, since a sale of the Bonds may not be possible. The Investor is not participating, directly or indirectly, in a distribution of the Bonds and will not take, or cause to be taken, any action that would cause the Investor to be deemed an “underwriter” of such Bonds as defined in Section 2(a)(11) of the Act. The

Investor understands that the Agency has no obligation to register the Bonds for resale under the Act. The Investor further understands that the Bonds is being sold in a transaction that is exempt from the registration requirements of the Act. The Investor acknowledges that the Agency will not be entering into a continuing disclosure agreement for the Bonds pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended; provided, however, that the Agency has agreed to provide certain ongoing information to the Investor.

3. The Investor has received and carefully read all information and other items of disclosure relating to the Agency and the Bonds that the Investor has deemed material for it to make an informed lending decision with respect to its purchase of the Bonds and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the Agency and the Bonds, and has been able to verify the accuracy of, and supplement, the information contained therein.

4. The Investor acknowledges that it has either been supplied with or been given access to information, financial statements or other financial information, which it has requested from the Agency and to which a reasonable lender would attach significance in making a credit decision. The Investor has had an opportunity to ask questions of, and receive satisfactory answers from, duly designated representatives of the Agency concerning the terms and conditions pursuant to which the offer to purchase the Bonds is being made, and is satisfied with the information provided in response to its requests, and is satisfied that its request for such information has been fully complied with by the Agency.

5. The Investor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of making a loan of the proceeds of the Bonds based upon (i) the information furnished to it by the Agency; (ii) its or such representative's personal knowledge of the business and affairs of the Agency; (iii) such additional information as it or such representative may have requested and have received from the Agency; and (iv) the independent inquiries and investigations undertaken by it or such representative.

6. The Investor understands that the purchase of the Bonds involves significant credit risks and represents that it can bear the economic risk of loss of the Bonds.

7. The signatory of this letter is a duly authorized officer of the Investor with the authority to sign this letter on behalf of the Investor, and this letter has been duly authorized, executed, and delivered by the Investor.

8. The Investor acknowledges and agrees that the sale, transfer or other disposition of the Bonds must be in accordance with the provisions of this Indenture and all applicable securities laws.

9. The Investor has been informed that the Bonds (i) has not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange and (iii) will carry no rating from any rating service.

10. All of the representations contained in this letter shall survive the execution and delivery of the Bonds to us as representations of fact existing as of the date of execution and delivery

of this letter. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereof.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in this Indenture.

[INVESTOR]

By: _____
Its: _____

ESCROW AGREEMENT (2001A BONDS)

THIS ESCROW AGREEMENT (2001A BONDS), dated as of August 1, 2020 (the “**Agreement**”), by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “**Agency**”) and MUFG Union Bank, N.A., as escrow agent (the “**Escrow Agent**”) and as 2001A Trustee (as such term is defined herein), is entered into in accordance with a resolution of the Agency adopted on May 26, 2020, and an Indenture of Trust, dated as of November 1, 2001 (the “**2001A Indenture**”), by and between the Agency (as successor to the Cotati Community Redevelopment Agency) and MUFG Union Bank, N.A. (as successor to Union Bank of California, N.A.), as trustee (the “**2001A Trustee**”). This Agreement is entered into to refund all of the outstanding Cotati Community Redevelopment Agency Subordinate 2001 Tax Allocation Bonds Series A (Cotati Redevelopment Project) (the “**2001A Bonds**”).

RECITALS

A. Pursuant to the 2001A Indenture, the Cotati Community Redevelopment Agency previously issued the 2001A Bonds in the aggregate principal amount of \$6,960,000, of which \$5,775,000 is currently outstanding.

B. The Agency is the successor to the Cotati Community Redevelopment Agency.

C. The Agency has determined to issue its Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A (the “**2020 Bonds**”), a portion of the proceeds of which will be applied to pay, on [30 DAYS AFTER CLOSING], 2020 (the “**Redemption Date**”), the principal of the outstanding 2001A Bonds maturing after the Redemption Date, plus interest thereon accrued to the Redemption Date, without premium (the “**Redemption Price**”).

D. The Agency will irrevocably deposit moneys in the Escrow Fund (defined below) which will be applied to pay the Redemption Price of the 2001A Bonds on the Redemption Date.

AGREEMENT

SECTION 1. Deposit of Moneys. The Agency will cause MUFG Union Bank, N.A., as trustee for the 2020 Bonds, to transfer a portion of the proceeds of the 2020 Bonds in the amount of \$_____ on the date of issuance of the 2020 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. [The Agency also hereby directs the 2001A Trustee to transfer \$_____ held in the funds and accounts relating to the 2001A Bonds to the Escrow Agent for deposit in the Escrow Fund.]

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other funds of the Agency and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The Escrow Agent shall hold all amounts deposited in the Escrow Fund uninvested in cash. The Agency represents that, based on the verification report dated _____, 2020 prepared by Robert Thomas CPA, LLC, the cash held uninvested in the Escrow Fund will be sufficient to pay the Redemption Price on the Redemption Date.

SECTION 2. Investments. Under no circumstances shall any moneys held in the Escrow Fund be invested in securities or obligations.

SECTION 3. Payment of 2001A Bonds.

(a) Payment. From the moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer to the 2001A Trustee for the 2001A Trustee to pay, on the Redemption Date, the Redemption Price of the 2001A Bonds maturing after the Redemption Date, as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notice that is required to be given pursuant to Section 2.3(c) of the 2001A Indenture and the notice of defeasance with respect to the 2001A Bonds are substantially in the forms attached hereto as Exhibits A and B, respectively. The Agency hereby irrevocably instructs the 2001A Trustee to give a notice of redemption in accordance with Section 2.3(c) of the 2001A Indenture to the parties that are described in and otherwise in accordance with Section 2.3(c) of the 2001A Indenture (including the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and the Bond Insurer) and a notice of defeasance of the 2001A Bonds to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and to the Bond Insurer.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid by the Escrow Agent to the Agency.

(d) Priority of Payments. The owners of the 2001A Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2001A Indenture, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1, the pledge of the Tax Revenues and other funds provided for in the 2001A Indenture and all other obligations of the Trustee and the Agency thereunder with respect to the 2001A Bonds shall cease and terminate, except as set forth in the 2001A Indenture.

SECTION 4. Application of Certain Terms of the 2001A Indenture. All of the terms of the 2001A Indenture relating to the making of payments of principal of and interest on the 2001A Bonds and relating to the exchange or transfer of the 2001A Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VI of the 2001A Indenture relating to the resignation and removal and merger of the 2001A Trustee are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 5. Performance of Duties. The Escrow Agent agrees to perform only the duties that are set forth herein and shall have no responsibility to take any action or omit to take any action that is not set forth herein.

SECTION 6. Escrow Agent's Authority to Transfer Funds. Except as provided in Section 3, the Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys that are held hereunder.

SECTION 7. Indemnity. The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees

and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Agent at any time (whether or not also indemnified against the same by the Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees. In no event shall the Agency or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 8. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the moneys held in the Escrow Fund to pay the Redemption Price of the 2001A Bonds or any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the Agency, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2001A Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. In no event shall the Escrow Agent be liable for any special indirect or consequential damages. The Escrow Agent may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Agency.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Agreement and delivered using Electronic Means ("**Electronic Means**") shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder);

provided, however, that the Agency shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Agency whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The Agency understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Agency. The Escrow Agent shall not be liable for any losses, fees, taxes, costs, expenses or other charges arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall, upon receipt of written request, furnish the Agency with cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Agency, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the Agency’s election, such statements will be delivered via the Escrow Agent’s online service and upon electing such service, paper statements will be provided only upon request. The Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent may conclusively rely, as to the trust and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Agreement, and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in accordance with this Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any facts or matter stated in such notice, instruction, request, certificate or opinion.

The liability of the Escrow Agent to make any payments under the Agreement shall be limited to the funds in the Escrow Fund.

SECTION 9. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the 2001A Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent, and the Agency; provided, however, that the Agency and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2001A Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2001A Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2001A Bonds or that any instrument that is executed hereunder complies with the conditions and provisions of this Section.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2001A Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(c) of this Agreement. Funds remaining in the Escrow Fund after payment in full of the 2001A Bonds shall be transferred to the Agency.

SECTION 11. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the Agency and any other reasonable fees and expenses of the Escrow Agent; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services that are rendered or expenses incurred by the Escrow Agent under this Agreement.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Agency or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void, shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts and Electronic Signing. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the

use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

SECTION 14. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the Agency in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 16. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Agency.

SECTION 17. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 18. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys in the Escrow Fund will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the Agency in writing of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 19. Notices. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the designated corporate trust office of the Escrow Agent at 350 California Street, 17th Floor, San Francisco, California 94104, email: SFCT@unionbank.com, Fax: (415) 273-2492, Attention: Corporate Trust Department: Cotati Community Redevelopment Agency, Series 2001A. Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Agency at 201 West Sierra Avenue, Cotati, California 94931 (or such other address as may have been filed in writing by the Agency with the Escrow Agent).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

SUCCESSOR AGENCY TO THE COTATI
COMMUNITY REDEVELOPMENT AGENCY

By: _____
Executive Director

MUFG UNION BANK, N.A.,
as Escrow Agent and 2001A Trustee

By: _____
Authorized Officer

SCHEDULE A
ESCROW REQUIREMENTS

The escrow requirements for the 2001A Bonds are as follows:

<u><i>Period</i></u> <u><i>Ending</i></u>	<u><i>Principal</i></u> <u><i>Redeemed</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
[REDEMPTION DATE], 2020	\$	\$	\$

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

COTATI COMMUNITY REDEVELOPMENT AGENCY
SUBORDINATE 2001 TAX ALLOCATION BONDS, SERIES A
(COTATI REDEVELOPMENT PROJECT)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2001A Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2001 (the “2001A Indenture”), by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “Agency”), as successor to the Cotati Community Redevelopment Agency, and MUFG Union Bank, N.A., as trustee (the “2001A Trustee”), that 2001A Bonds in the amount of \$5,775,000 have been called for redemption on [30 DAYS AFTER CLOSING], 2020 (the “Redemption Date”). The 2001A Bonds were originally issued on November 27, 2001 and the 2001A Bonds to be redeemed on the Redemption Date are described in the following table.

<u>CUSIP</u>	<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Redemption Price</u>
22161MBR0	2020	\$155,000	4.600%	100%
22161MBS8	2021	170,000	4.625	100
22161MBT6	2026	2,050,000	5.000	100
22161MBU3	2031	3,400,000	5.000	100

The 2001A Bonds will be payable on the Redemption Date at a Redemption Price of 100% of the principal amount plus accrued interest to such date (the “Redemption Price”). The Redemption Price of the 2001A Bonds will become due and payable on the Redemption Date. Interest on the 2001A Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2001A Bonds will be surrendered to the 2001A Trustee.

To receive payment on the Redemption Date, owners of the 2001A Bonds should present and to surrender said 2001A Bonds on the Redemption Date at the address of the 2001A Trustee set forth below:

MUFG Union Bank, N.A.
Corporate Trust Department
350 California Street, 17th Floor,
San Francisco, California 94104

A form W-9 must be submitted with the 2001A Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Tax Cuts and Jobs Act of 2017, 24% will be withheld if the tax identification number is not properly certified.

If the owner of any 2001A Bond fails to deliver such 2001A Bond to the 2001A Trustee on the Redemption Date, such 2001A Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2001A Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2001A Trustee for such payment.

Note: *The Successor Agency to the Cotati Community Redevelopment Agency and the 2001A Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is*

any representation made as to their correctness in the notice or as printed on any 2001A Bond. They are included solely for the convenience of the holders.

MUFG UNION BANK, N.A., as 2001A Trustee

[CLOSING DATE], 2020

EXHIBIT B

NOTICE OF DEFEASANCE

**COTATI COMMUNITY REDEVELOPMENT AGENCY
SUBORDINATE 2001 TAX ALLOCATION BONDS, SERIES A
(COTATI REDEVELOPMENT PROJECT)**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2001A Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2001 (the “2001A Indenture”), by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “Agency”), as successor to the Cotati Community Redevelopment Agency, and MUFG Union Bank, N.A., as trustee (the “2001A Trustee”), that the Agency has deposited with MUFG Union Bank, N.A., as escrow agent (the “Escrow Agent”), cash sufficient to pay on [30 DAYS AFTER CLOSING], 2020, the principal of all outstanding 2001A Bonds maturing after such date, plus accrued interest thereon to such date. The 2001A Bonds were originally issued on November 27, 2001 and the 2001A Bonds to be paid on [30 DAYS AFTER CLOSING], 2020 are described in the following table.

<u>CUSIP</u>	<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>
22161MBR0	2020	\$155,000	4.600%
22161MBS8	2021	170,000	4.625
22161MBT6	2026	2,050,000	5.000
22161MBU3	2031	3,400,000	5.000

In accordance with the 2001A Indenture: (i) the pledge of the Tax Revenues (as defined in the 2001A Indenture) and other funds provided for in the 2001A Indenture and all other obligations of the Trustee and the Agency thereunder with respect to the 2001A Bonds has ceased and terminated, except as set forth in the 2001A Indenture; and (ii) all obligations of the Agency under the Continuing Disclosure Certificate, dated November 27, 2001, relating to the 2001A Bonds, has been terminated as of the date hereof.

No representation is made as to the correctness of the CUSIP number either as printed on any 2001A Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the 2001A Bonds.

MUFG UNION BANK, N.A., as 2001A Trustee

[CLOSING DATE], 2020

ESCROW AGREEMENT (2004 BONDS)

THIS ESCROW AGREEMENT (2004 BONDS), dated as of August 1, 2020 (the “**Agreement**”), by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “**Agency**”) and MUFG Union Bank, N.A., as escrow agent (the “**Escrow Agent**”) and as 2004 Trustee (as such term is defined herein), is entered into in accordance with a resolution of the Agency adopted on May 26, 2020, and an Indenture of Trust, dated as of November 1, 2001, as supplemented by the First Supplement to Indenture dated as of June 1, 2004 (together, the “**2004 Indenture**”), each by and between the Agency (as successor to the Cotati Community Redevelopment Agency) and MUFG Union Bank, N.A. (as successor to Union Bank of California, N.A.), as trustee (the “**2004 Trustee**”). This Agreement is entered into to refund all of the outstanding Cotati Community Redevelopment Agency 2004 Tax Allocation Refunding Bonds, Series A (Cotati Redevelopment Project) (the “**2004 Bonds**”).

RECITALS

A. Pursuant to the 2004 Indenture, the Cotati Community Redevelopment Agency previously issued the 2004 Bonds in the aggregate principal amount of \$5,610,000, of which \$2,300,000 is currently outstanding.

B. The Agency is the successor to the Cotati Community Redevelopment Agency.

C. The Agency has determined to issue its Cotati Redevelopment Project Tax Allocation Refunding Bonds, Series 2020A (the “**2020 Bonds**”), a portion of the proceeds of which will be applied to pay, on [30 DAYS AFTER CLOSING], 2020 (the “**Redemption Date**”), the principal of the outstanding 2004 Bonds maturing after the Redemption Date, plus interest thereon accrued to the Redemption Date, without premium (the “**Redemption Price**”).

D. The Agency will irrevocably deposit moneys in the Escrow Fund (defined below) which will be applied to pay the Redemption Price of the 2004 Bonds on the Redemption Date.

AGREEMENT

SECTION 1. Deposit of Moneys. The Agency will cause MUFG Union Bank, N.A., as trustee for the 2020 Bonds, to transfer a portion of the proceeds of the 2020 Bonds in the amount of \$_____ on the date of issuance of the 2020 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. [The Agency also hereby directs the 2004 Trustee to transfer \$_____ held in the funds and accounts relating to the 2004 Bonds to the Escrow Agent for deposit in the Escrow Fund.]

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other funds of the Agency and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The Escrow Agent shall hold all amounts deposited in the Escrow Fund uninvested in cash. The Agency represents that, based on the verification report dated _____, 2020 prepared by Robert Thomas CPA, LLC, the cash held uninvested in the Escrow Fund will be sufficient to pay the Redemption Price on the Redemption Date.

SECTION 2. Investments. Under no circumstances shall any moneys held in the Escrow Fund be invested in securities or obligations.

SECTION 3. Payment of 2004 Bonds.

(a) Payment. From the moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer to the 2004 Trustee for the 2004 Trustee to pay, on the Redemption Date, the Redemption Price of the 2004 Bonds maturing after the Redemption Date, as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notice that is required to be given pursuant to Section 10.05(c) of the 2004 Indenture and the notice of defeasance with respect to the 2004 Bonds are substantially in the forms attached hereto as Exhibits A and B, respectively. The Agency hereby irrevocably instructs the 2004 Trustee to give a notice of redemption in accordance with Section 10.05(c) of the 2004 Indenture to the parties that are described in and otherwise in accordance with Section 10.05(c) of the 2004 Indenture (including the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and the Bond Insurer) and a notice of defeasance of the 2004 Bonds to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and to the Bond Insurer.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid by the Escrow Agent to the Agency.

(d) Priority of Payments. The owners of the 2004 Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2004 Indenture, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1, the pledge of the Tax Revenues and other funds provided for in the 2004 Indenture and all other obligations of the Trustee and the Agency thereunder with respect to the 2004 Bonds shall cease and terminate, except as set forth in the 2004 Indenture.

SECTION 4. Application of Certain Terms of the 2004 Indenture. All of the terms of the 2004 Indenture relating to the making of payments of principal of and interest on the 2004 Bonds and relating to the exchange or transfer of the 2004 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VI of the 2004 Indenture relating to the resignation and removal and merger of the 2004 Trustee are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 5. Performance of Duties. The Escrow Agent agrees to perform only the duties that are set forth herein and shall have no responsibility to take any action or omit to take any action that is not set forth herein.

SECTION 6. Escrow Agent's Authority to Transfer Funds. Except as provided in Section 3, the Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys that are held hereunder.

SECTION 7. Indemnity. The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Agent at any time (whether or not also indemnified against the same by the Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees. In no event shall the Agency or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 8. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the moneys held in the Escrow Fund to pay the Redemption Price of the 2004 Bonds or any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the Agency, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2004 Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. In no event shall the Escrow Agent be liable for any special indirect or consequential damages. The Escrow Agent may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Agency.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Agreement and delivered using Electronic Means (“**Electronic Means**” shall mean the following communications methods: e-mail,

facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the Agency shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Agency whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The Agency understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Agency. The Escrow Agent shall not be liable for any losses, fees, taxes, costs, expenses or other charges arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall, upon receipt of written request, furnish the Agency with cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Agency, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the Agency’s election, such statements will be delivered via the Escrow Agent’s online service and upon electing such service, paper statements will be provided only upon request. The Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent may conclusively rely, as to the trust and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Agreement, and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in accordance with this Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party,

and it need not investigate any facts or matter stated in such notice, instruction, request, certificate or opinion.

The liability of the Escrow Agent to make any payments under the Agreement shall be limited to the funds in the Escrow Fund.

SECTION 9. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the 2004 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent, and the Agency; provided, however, that the Agency and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2004 Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2004 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2004 Bonds or that any instrument that is executed hereunder complies with the conditions and provisions of this Section.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2004 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(c) of this Agreement. Funds remaining in the Escrow Fund after payment in full of the 2004 Bonds shall be transferred to the Agency.

SECTION 11. Compensation and Electronic Signing. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the Agency and any other reasonable fees and expenses of the Escrow Agent; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services that are rendered or expenses incurred by the Escrow Agent under this Agreement. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Agency or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null

and void, shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 14. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the Agency in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 16. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Agency.

SECTION 17. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 18. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys in the Escrow Fund will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the Agency in writing of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 19. Notices. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the designated corporate trust office of the Escrow Agent at 350 California Street, 17th Floor, San Francisco, California 94104, email: SFCT@unionbank.com, Fax: (415) 273-2492, Attention: Corporate Trust Department: Cotati Community Redevelopment Agency, 2004 Bonds. Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Agency at 201 West Sierra Avenue, Cotati, California 94931 (or such other address as may have been filed in writing by the Agency with the Escrow Agent).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

SUCCESSOR AGENCY TO THE COTATI
COMMUNITY REDEVELOPMENT AGENCY

By: _____
Executive Director

MUFG UNION BANK, N.A.,
as Escrow Agent and 2004 Trustee

By: _____
Authorized Officer

SCHEDULE A
ESCROW REQUIREMENTS

The escrow requirements for the 2004 Bonds are as follows:

<u><i>Period</i></u> <u><i>Ending</i></u>	<u><i>Principal</i></u> <u><i>Redeemed</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
[REDEMPTION DATE], 2020	\$	\$	\$

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

COTATI COMMUNITY REDEVELOPMENT AGENCY
SUBORDINATE 2004 TAX ALLOCATION REFUNDING BONDS,
SERIES A (COTATI REDEVELOPMENT PROJECT)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2004 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2001, as supplemented by the First Supplement to Indenture dated as of June 1, 2004 (together, the “2004 Indenture”), each by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “Agency”), as successor to the Cotati Community Redevelopment Agency, and MUFG Union Bank, N.A., as trustee (the “2004 Trustee”), that 2004 Bonds in the amount of \$2,300,000 have been called for redemption on [30 DAYS AFTER CLOSING], 2020 (the “Redemption Date”). The 2004 Bonds were originally issued on June 3, 2004 and the 2004 Bonds to be redeemed on the Redemption Date are described in the following table.

<u>CUSIP</u>	<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>	<u>Redemption Price</u>
22161MCP3	2023	\$1,100,000	5.000%	100%
22161MCS7	2035	1,200,000	5.125	100

The 2004 Bonds will be payable on the Redemption Date at a Redemption Price of 100% of the principal amount plus accrued interest to such date (the “Redemption Price”). The Redemption Price of the 2004 Bonds will become due and payable on the Redemption Date. Interest on the 2004 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2004 Bonds will be surrendered to the 2004 Trustee.

To receive payment on the Redemption Date, owners of the 2004 Bonds should present and to surrender said 2004 Bonds on the Redemption Date at the address of the 2004 Trustee set forth below:

MUFG Union Bank, N.A.
Corporate Trust Department
350 California Street, 17th Floor,
San Francisco, California 94104

A form W-9 must be submitted with the 2004 Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Tax Cuts and Jobs Act of 2017, 24% will be withheld if the tax identification number is not properly certified.

If the owner of any 2004 Bond fails to deliver such 2004 Bond to the 2004 Trustee on the Redemption Date, such 2004 Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2004 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2004 Trustee for such payment.

Note: *The Successor Agency to the Cotati Community Redevelopment Agency and the 2004 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any*

representation made as to their correctness in the notice or as printed on any 2004 Bond. They are included solely for the convenience of the holders.

MUFG UNION BANK, N.A., as 2004 Trustee

[CLOSING DATE], 2020

EXHIBIT B

NOTICE OF DEFEASANCE

**COTATI COMMUNITY REDEVELOPMENT AGENCY
SUBORDINATE 2001 TAX ALLOCATION BONDS, SERIES A
(COTATI REDEVELOPMENT PROJECT)**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2004 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of November 1, 2001 as supplemented by the First Supplement to Indenture dated as of June 1, 2004 (together, the “2004 Indenture”), each by and between the Successor Agency to the Cotati Community Redevelopment Agency (the “Agency”), as successor to the Cotati Community Redevelopment Agency, and MUFG Union Bank, N.A., as trustee (the “2004 Trustee”), that the Agency has deposited with MUFG Union Bank, N.A., as escrow agent (the “Escrow Agent”), cash sufficient to pay on [30 DAYS AFTER CLOSING], 2020, the principal of all outstanding 2004 Bonds maturing after such date, plus accrued interest thereon to such date. The 2004 Bonds were originally issued on June 3, 2004 and the 2004 Bonds to be paid on [30 DAYS AFTER CLOSING], 2020 are described in the following table.

<u>CUSIP</u>	<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>
22161MCP3	2023	\$1,100,000	5.000%
22161MCS7	2035	1,200,000	5.125

In accordance with the 2004 Indenture: (i) the pledge of the Tax Revenues (as defined in the 2004 Indenture) and other funds provided for in the 2004 Indenture and all other obligations of the Trustee and the Agency thereunder with respect to the 2004 Bonds has ceased and terminated, except as set forth in the 2004 Indenture; and (ii) all obligations of the Agency under the Continuing Disclosure Certificate, dated June 3, 2004, relating to the 2004 Bonds, has been terminated as of the date hereof.

No representation is made as to the correctness of the CUSIP number either as printed on any 2004 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the 2004 Bonds.

MUFG UNION BANK, N.A., as 2004 Trustee

[CLOSING DATE], 2020



DATE: **May 22, 2020**

TO: Honorable Chairperson and Members of the Sonoma County Oversight Board

FROM: Ingrid Alverde, City of Petaluma Successor Agency

SUBJECT: Resolution Approving a Land Purchase Agreement Between Syd Hyder and the City of Petaluma Regarding Real Property Commonly Known as Industrial Drive and Auto Center Drive (APN 150-020-07) and Authorizing the Executive Director to Execute all Documents Necessary to Complete the Sale

RECOMMENDATION

It is recommended that the Sonoma County Oversight Board adopt a Resolution Approving a Land Purchase Agreement Between Syd Hyder and the City of Petaluma Regarding Real Property Commonly Known as Industrial Drive and Auto Center Drive (APN 150-020-07) and Authorizing the Executive Director to Execute all Documents Necessary to Complete the Sale.

BACKGROUND

The Petaluma Successor Agency is required to sell a 2.6-acre parcel located at Industrial Drive and Auto Center Drive (See Attachment 1) as part of the dissolution of the former Petaluma Community Development Commission. The parcel is part of the Auto Plaza Planned Unit District which allows new and used auto sales.

The property was listed for sale at \$1,160,000 based on equivalent properties zoned for auto sales that have recently sold in and around the bay area. This price is supported by the appraisal dated June 2016. The proceeds from the sale of this property will be distributed to the affected taxing agencies, including the City of Petaluma. Petaluma's share is approximately 14%.

An offer to purchase the property for \$850,000 was submitted to the Agency in March 2018, for a proposed use as a mini storage facility. The Council directed staff to reject that offer and wait for an offer closer to the list price with a proposed use consistent with the property's zoning.

Another offer was submitted in 2018 which proposed a new auto dealership and \$1,000,000 to purchase the property. That offer was accepted and approved by the Council in October of 2018. That purchaser then failed to move forward with the purchase. Since then, the property has remained listed for sale.

DISCUSSION

An offer was submitted this January proposing to purchase the property for \$800,000 with a proposed use of RV sales. The buyer owns, and plans to move, Santa Rosa RV. The buyer will pay an \$8,000 deposit and close escrow within 35 days of opening escrow. A second offer was received in March to purchase the property for \$700,000 with a proposed use of auto storage for the existing Nissan dealership.

Staff recommends accepting the offer from Santa Rosa RV. The proposed use is permitted under the Auto Zone Planned Unit Development. However, the site is constrained by the floodplain and will require Site Plan and Architectural Review before any project could move forward.

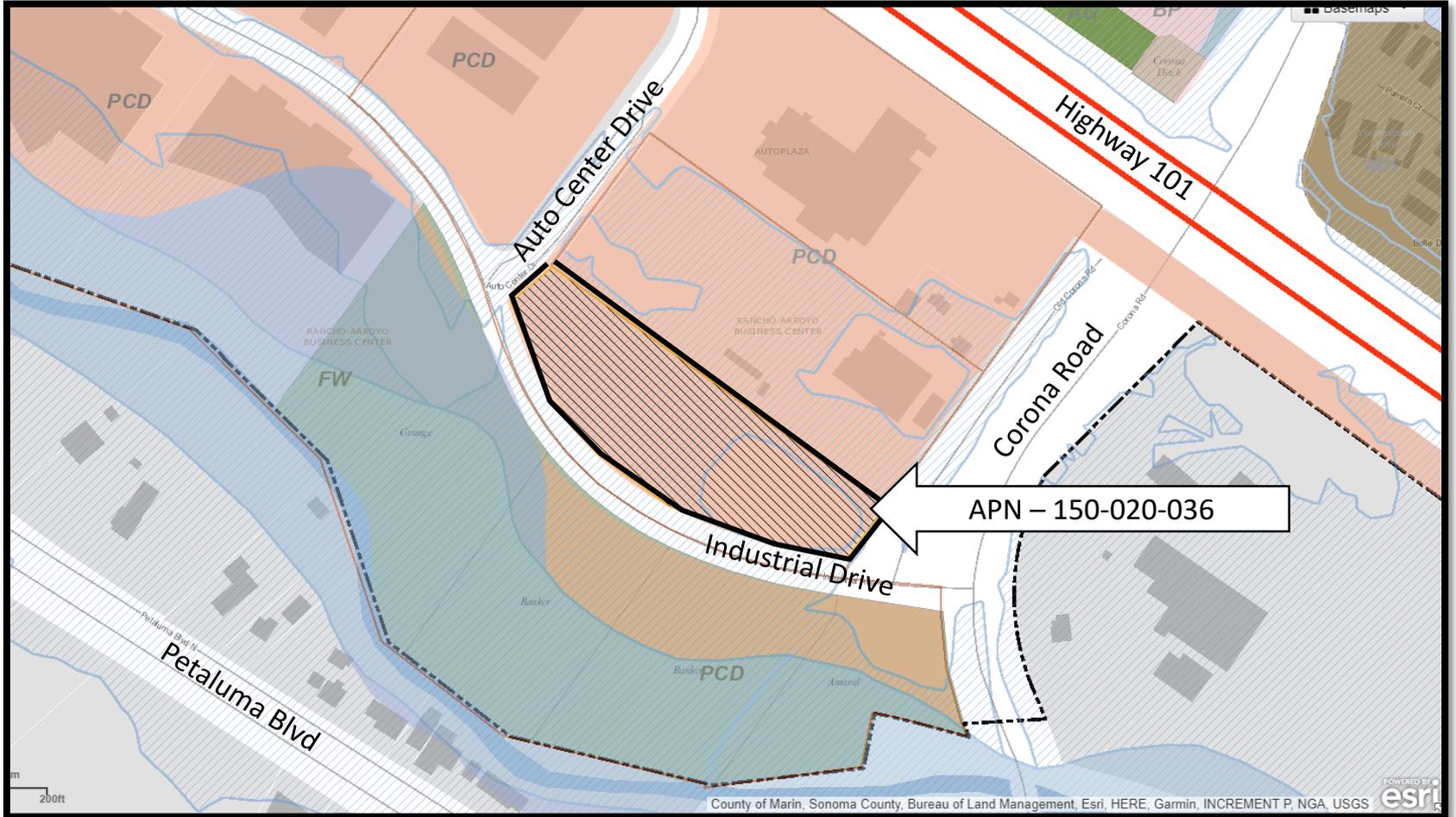
FINANCIAL IMPACT

The sale of the property would provide funds for each of the taxing agencies based on their share of property tax.

ATTACHMENTS

1. Industrial Drive Property Map
2. Resolution authorizing the sale of the property
 - a. Exhibit A of the Resoltuion- Purchase and Sale Agreement

Industrial Drive Property Map





Attachment 2

Resolution No. 27 Of the Sonoma County Oversight Board

RESOLUTION APPROVING A LAND PURCHASE AGREEMENT BETWEEN SYD HYDER AND THE CITY OF PETALUMA REGARDING REAL PROPERTY COMMONLY KNOWN AS INDUSTRIAL DRIVE AND AUTO CENTER DRIVE (APN 150-020-07)

WHEREAS, as authorized by applicable law, the City of Petaluma has elected to serve as the Successor Agency to the former Petaluma Community Development Commission (“PCDC”); and,

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (“Plan”) to address the disposition and use of the real property of the former PCDC; and,

WHEREAS, the Successor Agency received, reviewed, considered, and approved the Plan on October 7, 2013; and,

WHEREAS, one of the properties identified in the plan was a 2.6-acre parcel located on Industrial Drive between Auto Plaza Drive and Old Corona Road, identified as Assessor Parcel Number 150-020-036, (“The Property”); and,

WHEREAS, The Property is zoned as part of the Auto Plaza Planned Unit Development which allows for new or used car sales; and,

WHEREAS, The Property was listed for sale in 2016; and,

WHEREAS, an offer to purchase the property for \$800,000 was received; and,

NOW, THEREFORE, BE IT RESOLVED BY THE PETALUMA COMMUNITY DEVELOPMENT SUCCESSOR AGENCY AS FOLLOWS:

Section 1. The Purchase and Sale Agreement attached to this Resolution as Exhibit “A” hereby approved.

The Executive Director is hereby authorized to execute all documents necessary to complete the sale.

PASSED, APPROVED and ADOPTED at a meeting of Sonoma County Consolidated Oversight Board held this 22nd day of May, 2020 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chair

restoration of any damage to the property which may be caused by such tests. If in the reasonable opinion of the soils engineer, employed by Buyer, the property is not suitable for the proposed development, Buyer may terminate this Agreement. Buyer will approve or disapprove the results of the tests in writing 30 days of acceptance.

- B. **SURVEY.** Upon acceptance of this Agreement, a boundary line survey will be made by a licensed surveyor at the expense of the Buyer, Seller. The surveyor will set and flag all property lines, to be approved in writing by Buyer prior to close of escrow.
- C. **PRICE BASED ON AREA.** The purchase price is based upon \$_____ per acre, per square foot, and will, will not be adjusted in accordance with the area set forth in the survey under Provision 3-B.
- D. **GEOLOGICAL REPORT.** Upon acceptance of this Agreement, Buyer will have the right to obtain a geological report from a registered geologist at the expense of Buyer Seller. Buyer will be deemed to have approved said report unless written notice to the contrary is delivered to Seller or his or her Broker **within 30 days of acceptance.** In the event of disapproval, Buyer may terminate this Agreement.
- E. **WELL REPORT.** Upon acceptance of this Agreement, Buyer will obtain a well report from a licensed well drilling contractor at the expense of Buyer, Seller. Buyer will approve or disapprove the results of the tests in writing **within _____ days of acceptance.** In the event of disapproval, Buyer may terminate this Agreement.
- F. **CERTIFICATE OF COMPLIANCE.** This offer is conditioned upon obtaining a Conditional Certificate of Compliance from _____, at the expense of Buyer Seller **within _____ days of acceptance.** (Under Government Code §66499.35, a buyer or seller may apply to the local agency for a certificate that all of the subdivision laws applicable to the lot have been satisfied.)
- G. **TAX DEFERRED EXCHANGE (INVESTMENT PROPERTY).** In the event Seller wishes to enter into a tax deferred exchange for the property, or Buyer wishes to enter into a tax deferred exchange with respect to property owned by him or her in connection with this transaction, each of the parties agrees to cooperate with the other party in connection with such exchange, including the execution of such documents as may be reasonably necessary to complete the exchange, provided that: (a) the other party will not be obligated to delay the closing; (b) all additional costs in connection with the exchange will be borne by the party requesting the exchange; (c) the other party will not be obligated to execute any note, contract, deed or other document providing for any personal liability which would survive the exchange; and (d) the other party will not take title to any property other than the property described in this Agreement. The other party will be indemnified and held harmless against any liability which arises or is claimed to have arisen on account of the exchange.

4. BONDS AND ASSESSMENTS. All bonds and assessments which are part of or paid with the property tax bill will be assumed by the Buyer. In the event there are other bonds or assessments which have an outstanding principal balance and are a lien upon the property, the current installment will be prorated between Buyer and Seller as of the date of closing. Future installments will be assumed by Buyer WITHOUT CREDIT toward the purchase price, EXCEPT AS FOLLOWS: _____

This Agreement is conditioned upon both parties verifying and approving in writing the amount of any bond or assessment to be assumed or paid **within ten (10) days after receipt** of the preliminary title report or property tax bill, whichever is later. In the event of disapproval, the disapproving party may terminate this Agreement.

5. EVIDENCE OF TITLE will be in the form of a policy of title insurance, issued by _____ Old Republic Title paid by Buyer, Seller, Other _____. **NOTE:** In addition to coverage under a standard CLTA policy, the ALTA Owner's Policy, or CLTA Homeowner's Policy of Title Insurance may offer additional coverage for a number of unrecorded matters. Buyer should discuss the type of policy with the title company of their choice at the time escrow is opened. In the event a lender requires an ALTA lender's policy of title insurance, Buyer, Seller will pay the premium.

6 PRORATIONS. Rents, real estate taxes, interest, payments on bonds and assessments assumed by Buyer, and homeowners association fees will be prorated as of the date of recordation of the deed. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Buyer.

7. CLOSING. Full purchase price to be paid, deed to be recorded, and physical possession of the property to be delivered on or before _____, or within 35 days of acceptance. If the closing date falls on a Saturday, Sunday or holiday, the close of escrow will be on the next business day. Both parties will deposit with an authorized escrow holder, to be selected by Buyer, all funds and instruments necessary to complete the sale in accordance with the terms of this Agreement. Where customary, signed escrow instructions will be delivered to escrow holder **within 3 days of acceptance.** Escrow fee to be paid by _____ Buyer _____. County/City Transfer Tax(es), if any, to be paid by _____ Seller _____. Unless the transaction is exempt, the escrow holder is instructed to remit the required tax withholding amount to the Franchise Tax Board from the proceeds of sale.

THIS PURCHASE AGREEMENT TOGETHER WITH ANY ADDENDA WILL CONSTITUTE JOINT ESCROW INSTRUCTIONS TO THE ESCROW HOLDER.

Buyer [Signature] and Seller _____ have read this page.

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8 VESTED TITLE. The manner of taking title may have significant legal and tax consequences. Buyer should obtain advice from his or her legal or tax counsel regarding this matter.

9. PROPERTY INVESTIGATIONS. This Agreement is contingent upon Buyer's independent investigation of the following conditions relating to the property.

- A. Zoning and land use designations and requirements.
- B. Availability of utilities and costs of development.
- C. Toxic contamination.

Buyer will approve or disapprove in writing all inspection reports **within fifteen (15) (or 30) days after acceptance.** In the event of Buyer's disapproval, Buyer may, within the time stated or mutually agreed upon extension, elect to terminate this Agreement.

10. MEDIATION OF DISPUTES. If a dispute arises out of or relates to this Agreement or its breach, by initialing in the "agree" spaces below the parties agree to first try in good faith to settle the dispute by voluntary mediation before resorting to court action or arbitration, unless the dispute is a matter excluded under Item 12 -- ARBITRATION. Any fee to initiate the mediation will be paid by Seller, provided that the mediation costs and fees, including any initiation fee, ultimately will be borne as determined by the parties. If mediation does not resolve the dispute and arbitration or litigation is pursued, then the costs of mediation, including any initiation fee, shall be borne as determined by the arbitrator or the court. If a party initials the "agree" space and later refuses mediation, that party will not be entitled to recover prevailing party attorney fees in any subsequent action.

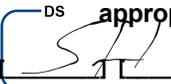
Buyer agrees Buyer does not agree
 Seller agrees Seller does not agree

11. DEFAULT - LIQUIDATED DAMAGES.

A. If the escrow does not close on or before the date set forth in Item 7, or a later closing date mutually agreed to by the Seller and Buyer, within 15 days after closing date set forth in Item 7, or the extended closing date mutually agreed to by Seller and Buyer, Seller will, except as provided in (B) below, order all of the moneys remitted by Buyer under the terms of this contract to be refunded to Buyer.

B. If Buyer fails to complete the purchase of the property because of a default by Buyer, Seller may pursue any remedy in law or equity that it may have against Buyer on account of the default; provided, however, that by placing their initials here, Buyer and Seller agree that:

1. \$ 8,000.00, an amount not to exceed the money deposited by Buyer under this contract will constitute liquidated damages payable to Seller if Buyer fails to complete the purchase of the property because of a default by Buyer.
2. The payment of such liquidated damages to Seller will constitute the exclusive remedy of Seller on account of any default by Buyer.
3. Liquidated damages will be payable to Seller out of Buyer's deposits toward purchase of the property according to the following procedures:
 - a. The Seller will give written notice ('Seller's notice and demand'), in the manner prescribed by §116.340 of the Code of Civil Procedure for service in a small claims action, to escrow holder and to Buyer that Buyer is in default under this Agreement and that Seller is demanding that the escrow holder remit the aforesaid amount from the deposits to Seller as liquidated damages unless, within twenty (20) days, Buyer gives the escrow holder Buyer's written objection to disbursement of said deposits as liquidated damages ('Buyer's objection').
 - b. Buyer will have a period of 20 days from the date of receipt of Seller's notice and demand in which to give the escrow holder Buyer's objection.
 - c. If Buyer fails to give the escrow holder Buyer's objection within 20 days from the date of receipt of Seller's notice and demand: (a) escrow holder will promptly remit the amount demanded to Seller; and (b) Seller is released from any obligation to sell the property to Buyer.
 - d. If Buyer gives escrow holder Buyer's objection within 20 days from the date of receipt of Seller's notice and demand, then the determination as to whether Seller is entitled to the disbursement of the deposits as liquidated damages, and every other cause of action that has arisen between Buyer and Seller under this Agreement, will be settled by arbitration in accordance with the provisions of Item 10, ARBITRATION OF DISPUTES, provided that both the Buyer and Seller have initialed the "agree" space in said provision. If the arbitration clause is not initialed by both parties, any dispute will be resolved by mediation or appropriate court action.

Buyer  and Seller have read this page.

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12. **ARBITRATION OF DISPUTES.** Any dispute or claim in law or equity arising between the Buyer and Seller out of this Agreement, whether sounding in tort or contract, will be decided by neutral binding arbitration in accordance with the California Arbitration Act (C.C.P. §1280 et seq.), and not by court action except as provided by California law for judicial review of arbitration proceedings. If the parties cannot agree upon an arbitrator, a party may petition the Superior Court of the county in which the property is located for an order compelling arbitration and appointing an arbitrator. Service of the petition may be made by first class mail, postage prepaid, to the last known address of the party served. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties will have the right to discovery in accordance with Code of Civil Procedure §1283.05.

The parties agree that the following procedure will govern the making of the award by the arbitrator: (a) a Tentative Award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator; (b) the Tentative Award will explain the factual and legal basis for the arbitrator's decision as to each of the principal controverted issues based upon substantive California law; (c) the Tentative Award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one (1) day, the Tentative Award may be made orally at the hearing in the presence of the parties. Within 15 days after the Tentative Award has been served or announced, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

The provisions of the Code of Civil Procedure authorizing the imposition of sanctions as a result of bad faith actions or tactics will apply to the arbitration proceedings, provided, however, that the arbitrator shall not have the power to commit errors of law, errors of legal reasoning, or rely upon unsupported findings of fact in imposing sanctions for any reason against a party or a party's attorney. In the event such error is claimed, the applicable sanctions may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. A prevailing party will also be entitled to an action for malicious prosecution if the elements of such cause of action are met.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court, bankruptcy court, or small claims court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, will not constitute a waiver of the right to arbitrate under this provision.

NOTICE: By initialing in the "agree" space below you are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the "agree" space below you are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provision to neutral arbitration.

Buyer agrees Buyer does not agree
 Seller agrees Seller does not agree

13. **ATTORNEY FEES.** in any action, arbitration, or other proceeding involving a dispute between Buyer and Seller arising out of the execution of this Agreement or the sale, whether for tort or for breach of contract, and whether or not brought to trial or final judgment, the prevailing party will be entitled to receive from the other party a reasonable attorney fee, expert witness fees, and costs to be determined by the court or arbitrator(s), except as provided in Item 10 -- MEDIATION.

14. **ADDENDA.** The following addenda are attached and made a part of this Agreement:
 ADDENDUM TO LAND PURCHASE AGREEMENT STANDARD DISCLOSURES AND DISCLAIMERS
 NATURAL HAZARD DISCLOSURE Sale Disclosure and Confirmation Re: Real Estate Agency Relationship

15. **SURVIVAL.** The omission from escrow instructions of any provision in this Agreement will not waive the right of any party. All representations or warranties will survive the close of escrow.

Buyer and Seller have read this page.

23. **PROVISIONS TO BE INITIALED.** The following items must be "agreed to" by both parties to be binding on either party. In the event of disagreement, Seller should make a counter offer.

Item 10. MEDIATION OF DISPUTES Item 11. LIQUIDATED DAMAGES Item 12. ARBITRATION OF DISPUTES

Seller acknowledges receipt of a copy of this Agreement. Authorization is hereby given the Broker(s) in this transaction to deliver a signed copy to Buyer and to disclose the terms of purchase to a multiple listing service, internet data source, or Association of REALTORS® at close of escrow.

24. IF CHECKED ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER DATED _____

Seller _____
(Signature)

Seller _____
(Signature)

(Please Print Name)

(Please Print Name)

Date _____ Time _____

Date _____ Time _____

Address _____

Information Regarding Real Estate Licensees Acting As Agents In This Transaction:

Selling Broker _____ LUXE PLACES International Realty _____ CalBRE License # _____ 01522223 _____

DocuSigned by:
By Julia Caceres License # _____ 01863748/01901454 _____ Date 5/2/2020 | 8:43 PM PDT
(Real Estate Agent for Buyer) Julio Caceres/Alexandra Caceres

Address _____ 737 4th Street _____ City/State/Zip _____ Santa Rosa, CA 95404 _____

Telephone _____ 707-239-4846 _____ Fax _____ E-Mail _____ CaceresCommercial@gmail.com _____

Listing Broker _____ Keegan & Coppin Company, Inc. _____ CalBRE License # _____ 00531022 _____

By _____ License # _____ 01437146/00597970 _____ Date _____
(Real Estate Agent for Seller) Sara Wann/Ken Bizzell

Address _____ 1201 North McDowell Blvd _____ City/State/Zip _____ Petaluma, CA 94954 _____

Telephone _____ 707-664-1400 _____ Fax _____ 707-792-7336 _____ E-Mail _____ swann@KeeganCoppin.com _____

Note that neither the Real Estate Brokers nor the Real Estate Agents are parties to the Purchase Agreement between the Buyer and Seller.

Rev. by _____
Date _____

To Purchase Agreement dated April 29, 2020 by and between
Buyer Syd Hyer and/or Assignee and Seller Petaluma Community Development Successor Agency

Buyer shall conduct a complete feasibility and investigation of the subject property to determine if property is suitable for Buyer's intent.

Buyer to conduct a full due diligence of property including existing information provided by Seller and new reports prepared by Buyer's experts.

1. This offer is subject to the following conditions precedent:
 - A. Buyer and/or his engineer/architect to inspect said property and contact governing municipalities in regard to location of all utilities, zoning, General Plan consistency and requirements for engineering said site to municipal and private standards to determine the general feasibility of the proposed development. Said approval or disapproval of the above by Buyer to be forthcoming within thirty (30) days of acceptance of this offer.
 - B. Buyer to obtain archaeological, wetlands clearance, Tiger Salamander and any other governmental review or certification from the appropriate governing agencies within thirty (30) days of acceptance hereof.
 - C. Buyer to obtain and approve an environmental hazard report prepared by a professional as to the presence or past existence of hazardous substances, contaminated water or above or underground storage facilities on the subject property or surrounding properties within thirty (30) days of acceptance hereof.
 - D. Buyer to obtain and approve a survey and topography study to determine property corners, land area and engineering feasibility of site within thirty (30) days of acceptance hereof. Alternatively, Buyer to ascertain property boundaries and site area to his satisfaction within the same period.
 - E. Buyer to review and approve the A.I.R. Seller's Mandatory Disclosure Statement or a Professional Report (Natural Hazards) within thirty (30) days of acceptance hereof.
 - F. Buyer to review and approve title report including all exceptions, easements, right-of-ways, assessments and liens within thirty (30) days of acceptance hereof. Seller shall remove any exceptions which are not acceptable to the Buyer prior to close of escrow. If exception is unable to be removed at a reasonable cost and time by Seller, then Seller or Buyer may cancel contract if Buyer does not accept subject exception.
 - G. Buyer at its option to obtain or ascertain to his satisfaction the ability to obtain all utility connections licenses, or encroachments, including but not limited to water, sewer, electrical, gas, telephone, cable, etc. within thirty (30) days of acceptance hereof.

If any of the above conditions are not satisfied and approved in writing or waived by the Buyer in writing in the times stipulated above, then either Buyer or Seller may terminate this Agreement and the above deposit shall be returned to the Buyer with no further liability to either party hereunder. If Professional Publishing form is used, strike Paragraph 18 in its entirety except "Time is of the Essence of this Agreement" and Paragraph 2 "Title Report" Seller to provide report within ten (10) days of acceptance. This Addendum is precedent for time periods and conditions over the Professional Publishing printed form.

2. Seller to deliver to Buyer the following existing reports and information within the times stipulated below in order to facilitate Buyer's due diligence:
 - A. A.I.R. Seller's Mandatory Disclosure (Natural Hazards) Statement or a Natural Hazards Report within seven (7) days of acceptance hereof.
 - B. All studies, approvals or reports previously obtained by Seller or in the possession of Seller including environmental studies, well reports, code violations-orders, survey of property, appraisals, soils reports, title reports, CCRs, Association budget, archaeological, wetlands, Tiger Salamander, biotic, entitlements, approvals, building permits, design review or use permits within seven (7) days of acceptance hereof.

Buyer's Initials SH Seller's Initials _____

Seller is the owner in fee simple of property and the party signing hereto has the full right, power and authority to enter into this agreement and to execute all documents required hereto.

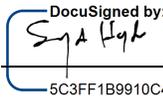
Seller is not a foreign person within the meaning of Section 1445 and 7701 of the Internal Revenue Code of 1954 (IRC), i.e. The Seller is not a non-resident, alien, foreign corporation, foreign partnership, foreign trust or foreign state as those terms are defined in the IRC and income tax representation.

- 10. Seller shall convey to Buyer at close of escrow fee simple title to the property by grant deed subject to the exceptions set forth in the approval of the title report. Title shall be insured by a CLTA or at Buyer's option, an ALTA title insurance policy, either at Buyer's expense.

The terms, covenants and conditions of this Agreement shall be binding upon and shall endure to the benefit of Buyer and Seller and their respective successors, assigns, heirs and legal representatives.

All of the terms and provisions of this Agreement shall survive the close of escrow and not merge with the execution and delivery of the grant deed.

Buyer and Seller are advised to have their respective attorneys review and approve this agreement prior to signing.

Agreed by: Buyer:  _____ Date: 5/3/2020 | 5:48 PM PDT _____
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Agreed by: Seller: _____ Date: _____

STANDARD SALE DISCLOSURE ADDENDUM

Certified Access Specialist Disclosure

Pursuant to California Civil Code Section 1938 the subject property has ___ has not X been inspected by a "Certified Access Specialist". If subject property has been inspected, the property ___ has ___ has not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53.

Notice to Owners, Buyers and Tenants Regarding Hazardous Wastes or Substances and Underground Storage Tanks

Comprehensive federal and state laws and regulations have been enacted in the last few years in an effort to develop controls over the use, storage, handling, cleanup, removal and disposal of hazardous wastes or substances. Some of these laws and regulations, such as, for example, the so-called "Super Fund Act", provide for broad liability schemes wherein an owner, tenant or other user of the property may be liable for cleanup costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos or establish requirements for the use, modification, abandonment, or closing of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, Seller and Buyer; are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice as well as other aspects of the proposed transaction. If various materials that have been or may be in the future determined to be toxic, hazardous or undesirable, or are going to be used, stored, handled or disposed of on the property, or if the property has or may have underground storage tanks for storage of such hazardous materials, or that such materials may be in the equipment, improvements or soil, it is essential that legal and technical advice be obtained to determine, among other things, what permits and approvals have been or may be required, if any, the estimated costs and expenses associated with the use, storage, handling, cleanup, removal or disposal of the hazardous wastes or substances and what contractual provisions and protection are necessary or desirable. It may also be important to obtain expert assistance for site investigations and building inspections. The past uses of the property may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks being on the property.

The term "hazardous wastes or substances" is used in this Notice in its very broadest sense and includes, but is not limited to, all those listed under Proposition 65, petroleum base products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is, therefore, meant to apply to any transaction involving any type of real property, whether improved or unimproved.

You should contact a professional, such as a civil engineer, geologist, industrial hygienist or other persons with experience in these matters to advise you concerning the property.

Americans with Disabilities Act (ADA)

On July 26, 1990, the federal legislation known as the Americans with Disabilities Act (ADA) was signed into law by President Bush. The purpose of the ADA is to integrate persons with disabilities into the economic and social mainstream of American life. Title III of the ADA applies to Buyers and Sellers of "places of public accommodation" and "commercial facilities", and requires that places of public accommodation undertake "readily achievable" removal of communication and access barriers to the disabled. This requirement of Title III of the ADA is effective January 26, 1992.

It is important that building owners identify and undertake "readily achievable" removal of any such barriers in the common areas, sidewalks, parking lots and other areas of the building under their control.

The Seller and Buyer are responsible for compliance with ADA relating to removal of barriers within the workplace i.e., arrangement of interior furnishings and access within the premises, and any improvements installed by lessor and lessee.

Keegan & Coppin Company, Inc. recommends that both parties seek expert advice regarding the implications of the Act as it affects this agreement.

Natural Hazards Disclosure Act:

"The property which is the subject of this contract may be situated in a Special Study Zone as designated under the Natural Hazards Disclosure Act, inclusive, of the California Public Resources Code; and, as such, the construction or development on this property of any structure for human occupancy may be subject to the findings of a geologic report prepared by a geologist registered in the State of California, unless such report is waived by the City or County under the

terms of that act. No representations on the subject are made by the Seller or Agent, and the Buyer should make his own inquiry or investigation".

Flood Hazard Area Disclosure:

The subject property may be situated in a "Special Flood Hazard Area" as set forth on a Federal Emergency Management Agency (FEMA) "Flood Insurance Rate Map" (FIRM) or "Flood Hazard Boundary Map" (FHBM). The law provides that, as a condition of obtaining financing on most structures located in a "Special Floods Hazard Area", lender requires flood insurance where the property or its attachments are security for a loan. Buyer should consult with experts concerning the possible risk of flooding.

Toxic Mold Disclosure (Pursuant to the Toxic Mold Protection Act of 2001)

The Toxic Mold Protection Act of 2001 requires any person who sells, transfers or rents residential, commercial or industrial property to disclose if they have ACTUAL KNOWLEDGE of a mold condition on the property. The law also requires the California Department of Health Services to identify tolerable exposure limits and develop guidelines for toxic mold identification and remediation. Property owners will be required to provide a more detailed disclosure on toxic mold once the Department of Health Services develops and adopts standards for identifying, measuring and remediating toxic mold.

The Toxic Mold Protection Act of 2001 does NOT require that a property owner have their property tested for toxic mold. It also does NOT require that an agent investigate a property for toxic mold. Property owners only need to disclose any ACTUAL KNOWLEDGE of a mold condition on their property until the above mentioned guidelines are developed and approved. Buyers are advised to obtain a professional assessment of the mold condition of the subject property prior to the close of escrow.

Installation of Water Use Efficiency Improvements [1101.5]

On or before January 1, 2019, all noncompliant plumbing fixtures in any multifamily residential real property and in any commercial real property shall be replaced with water-conserving plumbing fixtures. After January 1, 2019, a seller or transferor of multifamily residential real property or of commercial real property shall disclose to the prospective purchaser or transferee, in writing, all noncompliant plumbing fixtures.

Notice Regarding Gas and Hazardous Liquid Transmission Pipelines

This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://npms.phmsa.dot.gov/>.

Commercial Property Owner’s Guide to Earthquake Safety

California State Law requires sellers of commercial property built before 1975 that have precast (tiltup) concrete or reinforced masonry walls and wood-frame floors or roofs to:

- Deliver to the buyer “as soon as practical before the transfer,” a copy of *The Commercial Property Owner’s Guide to Earthquake Safety*. (Government Code, Section 8893.2)

Disclosure

Keegan & Coppin Co., Inc. has made no independent investigation regarding the present or future use or zoning of the Property: ADA-related issues, matters relating to Hazardous Materials, or the compliance of the Property with the Occupational Safety and Health Act or any other federal, state, county or municipal Law. Broker has not investigated, and is not qualified to provide any opinion about the structural, mechanical, or soils conditions of the Property. Broker has not independently verified the size, measurements, or boundaries of the Property, and any representation thereof is made solely based upon information provided to Broker, which Broker deems reliable but does not warrant to be accurate. You should consult your advisors on these matters. Buyer agrees to make its own investigation and determination regarding all matters affecting the value, condition, utility, size, compliance with Laws, and all aspects of the Property’s suitability for Buyer’s intended use.

ACKNOWLEDGED AND AGREED BY:

Buyer: 
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5/3/2020 | 5:48 PM PDT

Date: _____

Seller: _____

Date: _____

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction. With each specific transaction, you should read the Agency Disclosure and consider how you are being represented.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller. A Seller's agent or a subagent of that agent has the following affirmative obligations:

- To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.
- To Buyer and Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
 - (b) A duty of honest and fair dealing and good faith.
 - (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

- To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.
- To Buyer and Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
 - (b) A duty of honest and fair dealing and good faith.
 - (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

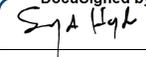
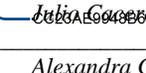
- (a) A fiduciary duty of utmost care, integrity, honest and loyalty in the dealings with either Seller or Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listed price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive of the Civil Code set forth on the reverse hereof. Read it carefully.

We acknowledge receipt of a copy of this disclosure:

Seller _____ Date _____ <i>Petaluma Community Development Successor Agency</i>	Buyer  _____ Date <u>5/3/2020 5:48 PM PDT</u>
Agent _____ Date _____ <i>Sara Wann Lic. #01437146</i>	Agent  _____ Date <u>5/2/2020 8:43 PM PDT</u>
Agent _____ Date _____ <i>Ken Bizzell Lic. #00597970</i>	Agent  _____ Date _____ <i>Alexandra Caceres Lic.#01901454</i>

CONFIRMATION OF AGENCY

We authorize the following agency:

KEEGAN & COPPIN COMPANY, INC. IS THE AGENT OF: (CHECK ONE)

X The Seller exclusively

Both the Buyer and Seller

LUXE PLACES INTERNATIONAL REALTY IS THE AGENT OF: (CHECK ONE)

The Buyer exclusively; or

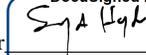
Both the Buyer and Seller

CONFIRMED AND AUTHORIZED:

Seller _____ Date _____
Petaluma Community Development Successor Agency

Agent for Seller _____
Sara Wann Lic. #01437146/Ken Bizzell Lic. #00597970

CONFIRMED AND AUTHORIZED:

Buyer  _____ Date 5/3/2020 | 5:48 PM

Agent for Buyer  _____ Date 5/2/2020 | 8:43 P
Julio Caceres Lic. #01863748/Alexandra Caceres Lic.#01901454

PROPERTY ADDRESS: Petaluma Auto Plaza / Industrial Avenue Petaluma, CA 94952 APN: 150-020-036

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

- (a) "Agent" means a person acting under provisions of Title 9 (commencing with section 2295) in a real property transaction, and includes a person who is licensed as a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions code, and under whose license a listing is executed or an offer to purchase is obtained.
- (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee.
- The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When as associate licensee owes a duty to any principal, or to transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.
- (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.
- (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.
- (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.
- (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.
- (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.
- (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.
- (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.
- (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.
- (k) "real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business of Professions Code.
- (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
- (m) "Sell," "sale" or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of leasehold exceeding one year's duration.
- (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property or which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor.
- (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.
- (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5(commencing with Section 2349) of Chapter 1 of title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure from specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

- (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.
- (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).
- (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller as his or her last known address, in which case no signed acknowledgement of this receipt is required.
- (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement or receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for the agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

- 2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.
- (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.
- (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

<p>_____ is the agent of (Name of Listing Agent) (Check one) <input type="checkbox"/> the seller exclusively; or <input type="checkbox"/> both the buyer and seller.</p>	<p>_____ is the agent of (Name of Selling Agent if not the same as the Listing Agent) (Check one) <input type="checkbox"/> the buyer exclusively; or <input type="checkbox"/> the seller exclusively; or <input type="checkbox"/> both the buyer and seller</p>
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(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to buyer that the seller is willing to sell the property as a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty of responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

- 2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.
- (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.