

INDENTURE OF TRUST

Dated as of _____, 2017

by and between the

**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE CITY OF LAKE ELSINORE**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

Relating to

**\$ _____
Successor Agency of the Redevelopment
Agency of the City of Lake Elsinore
(Rancho Laguna Redevelopment Project
Areas No. II and No. III)
Third Lien Tax Allocation Bonds,
Series 2017A**

**\$ _____
Successor Agency of the Redevelopment
Agency of the City of Lake Elsinore
(Rancho Laguna Redevelopment Project
Areas No. II and No. III)
Third Lien Tax Allocation Bonds,
Series 2017B (Federally Taxable)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of _____, 2017, by and between the SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, a public entity duly existing under the laws of the State of California (the “Successor Agency” or “Agency”), as Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (the “Former Agency”) and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, prior to its dissolution (as described below), 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 “Law”), including the power to issue bonds and incur debt for any of its corporate purposes;

WHEREAS, a Redevelopment Plan for the Rancho Laguna Redevelopment Project Area No. I (the “Project Area I”) of the Former Agency was adopted on September 30, 1980, pursuant to Ordinance No. 607, as subsequently amended in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, a Redevelopment Plan for the Rancho Laguna Redevelopment Project Area No. II (the “Project Area II”) of the Former Agency was adopted on July 11, 1983, pursuant to Ordinance No. 671, as subsequently amended in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, a Redevelopment Plan for the Rancho Laguna Redevelopment Project Area No. III (the “Project Area III”; and, together with Project Area II, the “Project Areas”) of the Former Agency was adopted on September 8, 1987, pursuant to Ordinance No. 815, as subsequently amended in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, pursuant to 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 Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Summerly DDA (defined below), the Existing Bonds (defined below) and the related documents to which the Former Agency was a party;

WHEREAS, the Former Agency previously entered into that certain Amended and Restated Disposition and Development Agreement by and among the Former Agency, McMillin Summerly LLC (the “Developer”), and Civic Partners-Elsinore LLC (the “Master Developer”) dated as of March 8, 2011 (the “Amended and Restated DDA”), and the Successor Agency subsequently entered into that certain Second Implementation Agreement dated as of January 24, 2017, by and among the Successor Agency, the Developer and the Master Developer (the “Implementation Agreement”; and, together with the Amended and Restated DDA, the “Summerly DDA”);

WHEREAS, the Summerly DDA, specifically Sections 602.2, 604.2 and 605 of the Amended and Restated DDA, requires the Successor Agency to make certain payments to the Developer and the Master Developer, subject to various conditions precedent set forth in the Summerly DDA and based on calculations described in the Summerly DDA (the “DDA Payment Obligation”);

WHEREAS, the DDA Payment Obligation was confirmed by the Successor Agency, the Developer and the Master Developer in the Implementation Agreement; and

WHEREAS, the Implementation Agreement also confirms the Successor Agency’s obligation to issue bonds to finance the DDA Payment Obligation; and

WHEREAS, the Implementation Agreement was approved by the Oversight Board and by the Department of Finance; and

WHEREAS, at the request of the Successor Agency, pursuant to Health and Safety Code Section 34177.5(i), the Department of Finance issued a Final and Conclusive Determination dated November 19, 2015 with respect to the DDA Payment Obligation;

WHEREAS, Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the issuance of bonds and other indebtedness obligations, 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”), subject to the conditions and restrictions contained in said Section 34177.5;

WHEREAS, said Section 34177.5(a)(4) of the California Health and Safety Code expressly authorizes the Successor Agency to issue bonds to make payments under enforceable obligations, such as the Summerly DDA, when the enforceable obligations include the irrevocable pledge of property tax increment and the obligation to issue bonds secured by that pledge;

WHEREAS, pursuant to Section 34177.5(a)(4) of the California Health and Safety Code, the Successor Agency may pledge to the bonds issued to finance an enforceable obligation the property tax revenues and other funds described in the enforceable obligation, and that pledge, when made in connection with the issuance of the bonds, shall be valid, binding, and enforceable in accordance with its terms;

WHEREAS, Section 606 of the Amended and Restated DDA sets forth an express pledge of certain tax increment revenues from the Project Areas to secure the Successor Agency’s DDA Payment Obligation;

WHEREAS, Section 607 of the Amended and Restated DDA requires the Successor Agency to use reasonable efforts to issue bonds upon the written request of the Developer and/or the Master Developer to finance the DDA Payment Obligation;

WHEREAS, as required by Section 607 of the Amended and Restated DDA, following receipt of written requests by the Developer and Master Developer, the Successor Agency prepared and submitted to Developer and Master Developer a proposal to issue bonds to finance the Successor Agency's DDA Payment Obligation and the Developer and Master Developer expressly approved the Successor Agency's financing proposal in writing;

WHEREAS, in order to provide moneys to finance the Successor Agency's DDA Payment Obligation, the Successor Agency has determined to issue its Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A (the "2017A Bonds") and its Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable) (the "2017B Bonds"; and, together with the 2017A Bonds, the "2017 Bonds");

WHEREAS, the Developer and the Master Developer have each certified to the Successor Agency that all conditions to the Successor Agency's delivery to Developer and Master Developer, respectively, of the payments required by Sections 602.2, 604.2 and 605, as applicable, of the Amended and Restated DDA, have been satisfied, and that under the terms of the Summerly DDA, Developer and Master Developer are entitled to receive the proceeds of the 2017 Bonds in the amounts set forth in Section 3.04 of this Indenture;

WHEREAS, the 2017 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(4) of the California Health and Safety Code, the Law, the Dissolution Act and the Refunding Law;

WHEREAS, the 2017 Bonds, and any additional Parity Debt, will be payable from Pledged Tax Revenues (as defined herein), and the pledge of Pledged Tax Revenues to the payment of the principal of and interest on the 2017 Bonds will, as applicable, be on a basis subordinate to the Successor Agency's pledge of specific tax increment revenues to the repayment of the Existing Bonds that remain outstanding after the issuance of the 2017 Bonds, as well as payments required under the Pass-Through Agreements and the Statutory Pass-Through Amounts;

WHEREAS, in order to provide for the authentication and delivery of the 2017 Bonds, to establish and declare the terms and conditions upon which the 2017 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, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2017 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, including the 2017 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, including the 2017 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 2017 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 2017 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 2017 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 2017 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.

“Additional Allowance” means, as the date of calculation, the amount of Pledged Tax Revenues which, as shown in the Report of an Independent Redevelopment Consultant, are estimated to be receivable by the Successor Agency as a result of increases in the assessed valuation of taxable property in the Project Areas due to construction which has been completed but not yet reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the Project Areas in any Fiscal Year is estimated to exceed the assessed valuation of taxable property in the Project Areas (as reported by the County Auditor-Controller) in the Fiscal Year in which such calculation is made.

“Amended and Restated DDA” means that certain Amended and Restated Disposition and Development Agreement by and among the Former Agency, the Developer, and the Master Developer, dated as of March 8, 2011, as heretofore or hereafter amended from time to time.

“Authority” means the Lake Elsinore Public Financing Authority, a joint powers agency formed pursuant to California Government Code Sections 6500 *et seq.*, in which the City and Successor Agency are members.

“Bonds” means the 2017 Bonds and any Parity Debt issued as bonds 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 Year” means each twelve (12) month period extending from March 2 in one calendar year to March 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on March 1, 2018.

“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 Principal 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 Lake Elsinore.

“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 2017 Bonds is _____, 2017.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2017A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2017A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, with respect to the 2017 Bonds, executed by the Successor Agency, 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 printing expenses, bond insurance and surety bond premiums, if any, 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, 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, the fees and expenses of counsel to 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 Riverside.

“County Auditor-Controller” means the Auditor-Controller of the County.

“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 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 the same are acquired at Fair Market Value:

- (a) Cash;
- (b) non-callable, direct obligations of the United States of America;
- (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; and
- (d) other investments approved by the 2017 Insurer.

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

“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.

“Developer” means McMillin Summerly LLC.

“Dissolution Act” means California Assembly Bill X1 26 approved 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.

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

“Existing Bonds” means each of the following:

- (i) Authority’s \$15,435,000 Lake Elsinore Public Financing Authority Tax Allocation Revenue Bonds (1999 Series C Refunding), 2010 Series A, currently outstanding in the aggregate principal amount of \$12,475,000, with a scheduled final maturity date of September 1, 2033, the proceeds of which were used to make four loans to the Former Agency, the repayment of which was secured by tax increment revenues derived from each of the Project Areas and the Housing Fund, respectively, as follows:

- (A) A loan in the original principal amount of \$3,055,000, secured by tax increment revenues from Project Area I;

(B) A loan in the original principal amount of \$5,505,000, secured by tax increment revenues from Project Area II;

(C) A loan in the original principal amount of \$2,075,000, secured by tax increment revenues from Project Area III; and

(D) A loan in the original principal amount of \$4,800,000, secured by tax increment revenues required to be deposited into the Former Agency's Low and Moderate Income Housing Fund.

(ii) Authority's \$10,855,000 Lake Elsinore Public Financing Authority Tax Allocation Revenue Bonds (1995 Series A Refunding), 2010 Series B, currently outstanding in the aggregate principal amount of \$6,185,000, with a scheduled final maturity date of September 1, 2025, the proceeds of which were used to make a loan to the Former Agency in the original principal amount of \$10,855,000, the repayment of which was secured by tax increment revenues derived from the Housing Fund.

(iii) Authority's \$29,435,000 Lake Elsinore Public Financing Authority Tax Allocation Revenue Bonds (1999 Series A Refunding), 2010 Series C, currently outstanding in the aggregate principal amount of \$21,565,000, with a scheduled final maturity date of September 1, 2030, the proceeds of which were used to make two loans to the Former Agency, the repayment of which was secured by tax increment revenues derived from Project Area I and Project Area II, respectively, as follows:

(A) A loan in the original principal amount of \$16,220,000, secured by tax increment revenues from Project Area I; and

(B) A loan in the original principal amount of \$13,215,000, secured by tax increment revenues from Project Area II.

(iv) Successor Agency's \$8,065,000 Successor Agency of the Redevelopment Agency of the City of Lake Elsinore Subordinated Tax Allocation Refunding Bonds, Series 2015, currently outstanding in the aggregate principal amount of \$6,605,000, with a scheduled final maturity date of September 1, 2038.

"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, or (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.

“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 now dissolved Redevelopment Agency of the City of Lake Elsinore.

“Implementation Agreement” means that certain Second Implementation Agreement relating to the Amended and Restated DDA, dated as of January 24, 2017, by and among the Successor Agency, the Developer and the Master Developer, as heretofore or hereafter amended from time to time.

“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 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.

“Insurer” means the 2017 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to Parity Debt.

“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, 2018], for so long as any of the Bonds remain Outstanding hereunder.

“Late Payment Rate” means, for purposes of the 2017 Insurance Policy and the rights of the 2017 Insurer hereunder, the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the 2017 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the PrimeRate shall be the prime or base lending rate of such other bank, banking association or trust company as the 2017 Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the 2017 Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.]

“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).

“Master Developer” means Civic Partners-Elsinore LLC.

“Maximum Annual Debt Service” means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the 2017 Bonds or any Parity Debt in such Bond Year. For purposes of such calculation, the amount of interest on any Bonds or other Parity Debt that is payable from the proceeds of such Bonds or Parity Debt that is set aside solely for such purpose shall not be included in the calculation of Maximum Annual Debt Service, and there also shall be excluded payments with respect to the 2017 Bonds or any Parity Debt to the extent that amounts due with respect to the 2017 Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with this Indenture or the relevant Parity Debt Instrument.

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

“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 Oversight Board of the Successor Agency 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.

“Parity Debt” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2017 Bonds pursuant to Section 3.05.

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

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

“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 Project Area II and Project Area III:

(i) the December 27, 1983, Amended Agreement by and among the City, the Successor Agency and the Elsinore Valley Municipal Water District for Project Areas I and II;

(ii) the January 10, 1984, Cooperative agreement by and among the City, the Successor Agency and the Riverside County Flood Control and Water Conservation District for Project Areas I and II;

(iii) the February 28, 1984, Agreement by and among the City, the Successor Agency and the Elsinore Water District for Project Area II;

(iv) the February 28, 1984, Cooperation Agreement by and among the City, the Successor Agency and the County of Riverside for Project Area II;

(v) the April 11, 1984, Cooperation Agreement by and among the City, the Successor Agency and the Elsinore Valley Cemetery District for Project Area II;

(vi) the June 14, 1987, Cooperation Agreement by and among the City, the Successor Agency and the Mt. San Jacinto Community College District for Project Area III;

(vii) the June 14, 1987, Cooperation Agreement by and among the City, the Successor Agency and the Elsinore Union High School District for Project Area III;

(viii) the June 14, 1987, Cooperation Agreement by and among the City, the Successor Agency and the Lake Elsinore School District for Project Area III;

(ix) the June 14, 1987, Cooperation Agreement by and among the City, the Successor Agency and the Riverside County Office of Education for Project Area III;

(x) the June 14, 1988, Amended Cooperation Agreement by and among the City, the Successor Agency and the Elsinore Valley Municipal Water District for Project Area III;

(xi) the June 14, 1988, Cooperation Agreement by and among the City, the Successor Agency and the Elsinore Water District for Project Area III;

(xii) the June 27, 1989, Cooperation Agreement by and among the City, the Successor Agency and the Riverside County Flood Control and Water Conservation District for Project Area III; and

(xiii) the January 23, 1990, Cooperation Agreement by and among the City, the Successor Agency and the County of Riverside for Project Area III, as said agreement was amended on or about February 8, 1994.

“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 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 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 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, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (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 FDIC, including BIF and SAIF, secured at all times by collateral described in (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;

(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 Moody's and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moody's 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 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.

“Pledged Tax Revenues” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas 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 or available for deposit in the Redevelopment Property Tax Trust Fund, excluding (i) the portion of such taxes required to pay debt service on the Existing Bonds, but only to the extent that such taxes were pledged to the payment of debt service on the Existing Bonds, (ii) payment of “Pledged Housing Funds” (defined in in the Summerly DDA) to the Master Developer, as required by the Summerly DDA, (iii) payments required pursuant to the Pass-Through Agreements, and (iv) all Statutory Pass-Through Amounts unless such payments are subordinated to payments on the 2017 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law or 34177.5(c) of the Dissolution Act.

“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 corporate trust office of the Trustee in Costa Mesa, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Project Areas” means Project Area II and Project Area III, as described in the Redevelopment Plans.

“Qualified Reserve Account Credit Instrument” means (i) the 2017 Reserve Policy, and (ii) 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) S&P or Moody’s have assigned a long-term credit rating at the time of issuance of such Qualified Reserve Account Credit Instrument to such bank or insurance company of “A” (without regard to modifier) or higher; (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 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.

“Rebate Fund” means the fund by that name referenced in Section 4.04 of this Indenture.

“Rebate Regulations” means the final Treasury Regulations issued under Section 148(f) of the Code.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (o) of Section 34177 of the California Health and Safety Code or any similar or successor statute.

“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.

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

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

“Redevelopment Plans” means, collectively, the redevelopment plans for Project Area II and Project Area III, as applicable, as heretofore amended and as may hereafter be amended in accordance with the law.

“Redevelopment Projects” means the undertaking of the Successor Agency pursuant to the Redevelopment Plans and the Law for the redevelopment of the Project Areas.

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

“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.

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

“Reserve Requirement” means, subject to Section 4.03(c) of this Indenture, with respect to the 2017 Bonds, and each series of Parity Debt issued in the form of Bonds, the lesser of

(i) 125% of the average Annual Debt Service with respect to that series of the Bonds,

(ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

(iii) with respect to an individual series of Bonds, 10% of the original principal amount of a 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 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 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 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) hereof. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand-alone basis.

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

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

“Securities Depositories” means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; 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.

“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.

“Serial Bonds” means all Bonds other than Term Bonds.

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

“State” means the State of California.

“Statutory Pass-Through Amounts” means amounts required to be paid to taxing agencies pursuant to Sections 33607.5 and 33607.7 of the Law.

“Subordinate Debt” means any loans, advances or indebtedness issued or incurred by the Successor Agency pursuant to Section 3.07, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues which is expressly subordinate to the pledge of and lien upon the Pledged Tax Revenues hereunder for the security of the 2017 Bonds, the Existing Bonds and any Parity Debt.

“Subordinate Debt Instrument” means any instrument providing for the issuance of Subordinate Debt.

“Summerly DDA” means, collectively, the Amended and Restated DDA and the Implementation Agreement.

“Supplemental Indenture” means any resolution, agreement or other instrument 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 that certain Tax Certificate executed by the Successor Agency with respect to the 2017A Bonds.

“Term Bonds” means (i) the 2017A Bonds maturing on March 1, 20__, (ii) the 2017B Bonds maturing on March 1, 20__, and (iii) that portion of any other Bonds payable from mandatory sinking account payments.

“Trustee” means Wilmington Trust, National Association, 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 Administrator 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.

“2017 Bonds” means the 2017A Bonds and the 2017B Bonds.

“2017A Bonds” means the \$_____ Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A.

“2017A Bonds Account” means the account by that name established within the Project Fund.

“2017B Bonds” means the \$_____ Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable).

“2017B Bonds Account” means the account by that name established within the Project Fund.

“2017 Insurance Policy” means the Municipal Bond Insurance Policy issued by the 2017 Insurer that guarantees the scheduled payment of principal of and interest on the 2017 Bonds when due.]

“2017 Insurer” means _____, or any successor thereto.]

“2017 Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2017 Insurer for the 2017 Bonds.]

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 2017 Bonds. Two initial issues of Bonds are 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 herein contained. Such initial issues of Bonds shall be designated (i) “Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A” (the “2017A Bonds”) and (ii) “Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable)” (the “2017B Bonds”). The 2017A Bonds shall be issued in the initial aggregate principal amount of \$_____, and the 2017B Bonds shall be issued in the initial aggregate principal amount of \$_____.

Section 2.02 Terms of 2017 Bonds. The 2017 Bonds shall be issued in fully registered form without coupons. The 2017 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2017 Bond shall have more than one maturity date. The 2017 Bonds shall be dated as of their Closing Date. The 2017 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2017 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

2017A BONDS

<i>Maturity Date (March 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
	\$	%

*

* Term Bond.

2017B BONDS

<i>Maturity Date (March 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
	\$	%

*

* Term Bond.

Each 2017 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, 2018], in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2017 Bond, interest thereon is in default, such 2017 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 2017 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft 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 either the 2017A Bonds or the 2017B Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2017A Bonds or such 2017B Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the 2017 Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03 Redemption of 2017 Bonds.

(a) Optional Redemption.

(i) The 2017A Bonds maturing on or prior to March 1, 20__ are not subject to optional redemption. The 2017A Bonds maturing on or after March 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after March 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), 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.

(ii) The 2017B Bonds maturing on or prior to March 1, 20__ are not subject to optional redemption. The 2017B Bonds maturing on or after March 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after March 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), 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 2017 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 in the sole determination of 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.

(i) The 2017A Bonds that are Term Bonds maturing March 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on March 1 in each year, commencing March 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 March 1 in the respective years as set forth in the following table; provided however, that (y) in lieu of redemption thereof such Series 2017A Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (z) if some but not all of such Series 2017A Term 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 Series 2017A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2017A Term Bonds of 20__

March 1

Principal Amount

†

† Final Maturity.

(ii) The 2017B Bonds that are Term Bonds maturing March 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on March 1 in each year, commencing March 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 March 1 in the respective years as set forth in the following table; provided however, that (y) in lieu of redemption thereof such Series 2017B Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (z) if some but not all of such Series 2017B Term 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 Series 2017B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2017B Term Bonds of 20__

March 1

Principal Amount

†

† Final Maturity.

(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 twenty (20) (or such longer period, up to thirty (30) days, as may be required by the Depository) but not more than sixty (60) days prior to the redemption date, (i) to any 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 a redemption pursuant to (a) above, 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 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 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; 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, 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.

(g) Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the subsection (b) above or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor

Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to subsection (d) on March 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

Section 2.04 Form of 2017 Bonds. The 2017A 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. The 2017B 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 B, 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 the Chair, Executive Director or Treasurer or the written designee of any of them and the signature of the Secretary of the Successor Agency 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 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, 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 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 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 tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall require the payment by the Owner of 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.

Section 2.07 Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same tenor and maturity and of other authorized denominations. The Trustee shall require the payment by the Owner of 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 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 and copying 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 Principal Corporate 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 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 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 Bondowner 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 Bondowner 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 Bondowner 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 and the Trustee 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 Bondowners. 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.

Section 2.12 Applicability of Provisions to Additional Bonds. Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03(c) through (g) and 2.05 through 2.11 shall apply to additional Bonds.

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 2017A Bonds in the aggregate principal amount of \$_____ and the 2017B Bonds in the aggregate principal amount of \$_____, and the Trustee shall authenticate and deliver the 2017A Bonds and the 2017B 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 with respect to the 2017A Bonds, the net proceeds of sale of the 2017A Bonds, being \$_____ (calculated as the par amount thereof, [plus/less net original issue premium/discount] in the amount of \$_____, less the discount of the original purchaser thereof in the amount of \$_____, [less the portion of the premiums for the 2017 Insurance Policy and the 2017 Reserve Policy allocable to the 2017A Bonds in the amount of \$_____ paid directly to the 2017 Insurer]), shall be paid to the Trustee and applied as follows:

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

(ii) [The Trustee shall deposit \$_____, being the remaining amount of proceeds of the 2017A Bonds, in the 2017 Bonds Account of the Project Fund.]

(b) On the Closing Date with respect to the 2017B Bonds, the net proceeds of sale of the 2017B Bonds, being \$_____ (calculated as the par amount thereof, [plus/less net original issue premium/discount] in the amount of \$_____, less the discount of the original purchaser thereof in the amount of \$_____, and [less the portion of the premiums for the 2017 Insurance Policy and the 2017 Reserve Policy allocable to the 2017B Bonds in the amount of \$_____ paid directly to the 2017 Insurer]), shall be paid to the Trustee and applied as follows:

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

(ii) [The Trustee shall deposit \$_____, being the remaining amount of proceeds of the 2017B Bonds, in the 2017B Bonds Account of the Project Fund.]

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 2017 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. On the date which is six (6) months following the Closing Date with respect to the 2017 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, with ___% of such amount used to pay debt service on the 2017A Bonds, and ___% of such amount used to pay debt service on the 2017B Bonds, and the Costs of Issuance Fund shall be closed.

Section 3.04 Project Fund.

(a) There shall be established a separate and segregated fund to be known as the “2017 Project Fund” (the “Project Fund”), together with a “2017A Bonds Account” and a “2017B Bonds Account” therein.

(b) On the Closing Date with respect to the 2017 Bonds, the Trustee shall disburse the \$_____ on deposit in the Series 2017A Bonds Account to the Developer to reimburse the Developer for Extraordinary Infrastructure Costs under the Summerly DDA.

(c) On the Closing Date with respect to the 2017 Bonds, the Trustee shall disburse the \$_____ on deposit in the Series 2017B Bonds Account as follows:

(i) \$_____ shall be transferred to the Developer as payment of the Unrestricted Portion of the Developer's Share of the Developer Property Tax Revenues payable to Developer pursuant to the Summerly DDA, less the City's Share of the Unrestricted Portion of the Developer's Share of the Developer Property Tax Revenues.

(ii) \$_____ shall be transferred to the Master Developer as payment of the Unrestricted Portion of the Master Developer's Share of the Master Developer Property Tax Revenues payable to Master Developer pursuant to the Summerly DDA, less the City's Share of the Unrestricted Portion of the Master Developer's Share of the Master Developer Property Tax Revenues.

(d) [The moneys remaining in the Project Fund following the transfers described in subdivisions (b) and (c) of this Section 3.04 shall be used and withdrawn by the Trustee from time to time to make payments to the Developer and Master Developer, as applicable, as required by the Summerly DDA, as shall be directed in a Written Request of the Successor Agency in substantially the form of Exhibit C attached hereto. Upon receipt of each such Requisition, the Trustee will pay the amount set forth in such Requisition as directed by the Successor Agency in such certificate. The Trustee shall maintain the Project Fund until amounts in the Project Fund and each account therein have been exhausted pursuant to Requisitions of the Successor Agency for the disbursement of such amounts, or upon termination of the Successor Agency's obligations under this Indenture pursuant to Article X hereof, at which time the Trustee shall return any remaining balance in the Series 2017A Account and the Series 2017B Account of the Project Fund to the Successor Agency for deposit to the Special Fund and close the Project Fund.]

Section 3.05 Issuance of Parity Debt. In addition to the 2017 Bonds, the Successor Agency may issue additional bonds (including pursuant to a Supplemental Indenture) or incur other loans, advances or indebtedness payable from Pledged Tax Revenues on a parity with the 2017 Bonds as provided in this Section 3.05.

(a) The Successor Agency may issue and deliver any such Parity Debt to refund outstanding Bonds or Parity Debt in such principal amount as shall be determined by the Successor Agency subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(i) No event of default under the Indenture or under any Parity Debt Instrument shall have occurred and be continuing unless such event of default shall be cured by the issuance of such Parity Debt;

(ii) The issuance of the Parity Debt shall comply with the requirements of Section 34177.5(a)(1) of the Dissolution Act;

(iii) In the event the Successor Agency issues additional Bonds pursuant to a Supplemental Indenture:

(A) interest on such Parity Debt shall be payable on September 1 and March 1 in each year of the term of such Parity Debt except the first twelve-month period, during which interest may be payable on any September 1 or March 1,

(B) principal of such Parity Debt shall be payable on March 1 in any year in which principal is payable, and

(C) the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(iv) 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 in this subsection (a) have been satisfied.

(b) The Successor Agency may also issue and deliver Parity Debt for the purpose of financing additional DDA Payment Obligations under the Summerly DDA, subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(i) No event of default under the Indenture or under any Parity Debt Instrument shall have occurred and be continuing unless such event of default shall be cured by the issuance of such Parity Debt;

(ii) The issuance of the Parity Debt pursuant to Section 34177.5(a)(4) of the Dissolution Act shall have been approved by the Department of Finance;

(iii) In the event the Successor Agency issues additional Bonds pursuant to a Supplemental Indenture:

(A) interest on such Parity Debt shall be payable on September 1 and March 1 in each year of the term of such Parity Debt except the first twelve-month period, during which interest may be payable on any September 1 or March 1,

(B) principal of such Parity Debt shall be payable on March 1 in any year in which principal is payable, and

(C) the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(iv) The Pledged Tax Revenues for the then current Fiscal Year plus, at the option of the Successor Agency, the Additional Allowance as set forth in a Written Certificate of the Successor Agency filed with the Trustee, shall be equal to one hundred twenty-five percent (125%) of Maximum Annual Debt Service on all Bonds and all Parity Debt which will be Outstanding following the issuance of such Parity Debt. For purposes of the foregoing sentence, Pledged Tax Revenues shall be calculated by first allocating tax revenues generated from Project Area I during the current Fiscal Year to the payment of debt service on all Existing Bonds that are

payable from and secured by Project Area I tax revenues, such that only Existing Bonds to which Pledged Tax Revenues are pledged and that cannot be paid using Project Area I tax revenues shall be included in the coverage calculation set forth in this paragraph.

(v) [The Successor Agency shall promptly notify 2017 Insurer of any request to the Oversight Board or Department of Finance for approval of the issuance of Parity Debt for the purpose of satisfying its obligations under the Summerly DDA accompanied by evidence that the issuance will comply with the conditions set forth in this Indenture.]

(vi) The Successor Agency will 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 in this subsection (b) have been satisfied.

Section 3.06 Issuance of Senior Obligations to Refund Existing Bonds. The Successor Agency may issue bonds secured by Pledged Tax Revenues or any part thereof, on a senior basis to the Bonds and Parity Debt to refund all or any portion of the Existing Bonds or other obligations payable on a senior basis to the Bonds, so long as the Successor Agency satisfies the requirements of Section 34177.5(a)(1) of the Dissolution Act in connection with such refunding.

Section 3.07 Issuance of Subordinate Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency. Such Subordinate Debt may be payable from any assets or property of the Successor Agency, including Pledged Tax Revenues, on a subordinate basis to the payment of debt service on the Bonds. Any principal and interest payments on such Subordinate Debt shall be payable on the same dates as the 2017 Bonds and shall be subordinate and junior to the replenishment of the Reserve Account [and reimbursement of all amounts due to the 2017 Insurer relating to the 2017 Insurance Policy or the 2017 Reserve Policy.]

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security. Except as may otherwise be provided in Section 4.02, Section 5.13 and Section 6.06, the 2017 Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and the moneys in the Special Fund, and the 2017 Bonds and any additional Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (including any subaccounts therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues, which constitute the amounts deposited in the Redevelopment Property Tax Trust Fund that are not pledged to other obligations of the Former Agency or the Successor Agency, 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.

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

After the Successor Agency has made provision for all payments due with respect to Existing Bonds, Pass-Through Agreements and Statutory Pass-Through Amounts for the applicable Bond Year, the Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period in accordance with Section 5.13 hereof into the Special Fund promptly upon receipt thereof by the Successor Agency. After the Successor Agency has (a) delivered all amounts to the Trustee required to make the payments described in Section 4.03, subsections (a), (b) and (if applicable) (c), for the applicable Bond Year, and (b) paid all amounts due to the 2017 Insurer hereunder and to any Insurer of Parity Debt pursuant to a Parity Debt Instrument, then all additional Pledged Tax Revenues received by the Successor Agency in such Bond Year 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 or to make payments to the Developer or Master Developer under the Summerly DDA. 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 promptly upon receipt thereof by the Successor Agency 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 further that, if on the fifth (5th) Business Day prior to the date 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 Parity Debt other than Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. Promptly upon receipt of Pledged Tax Revenues by the Successor Agency and not later than the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of [March 1, 2018] (with respect to the 2017 Bonds), 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. Promptly upon receipt of Pledged Tax Revenues by the Successor Agency and not later than the fifth (5th) Business Day preceding March 1 in each year beginning [March 1, 2019] (with respect to the 2017 Bonds), 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, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next March 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 March 1 on all of the Outstanding Serial Bonds and Term 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 Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any Supplemental Indenture or other Parity Debt Instrument, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and any Parity Debt. [The Reserve Requirement for the 2017 Bonds will be satisfied by the delivery of the 2017 Reserve Policy by the 2017 Insurer on the Closing Date with respect to the 2017 Bonds. The Successor Agency will have no obligation to replace the 2017 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2017 Bonds are Outstanding, any rating assigned to the 2017 Insurer is downgraded, suspended or withdrawn or amounts are not available under the 2017 Reserve Policy other than in connection with a draw on the 2017 Reserve Policy.]

Except as provided in the preceding paragraph and as may be provided in a Supplemental Indenture or Parity Debt Instrument, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

[The amounts available under the 2017 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 with respect to the payment of debt service on the 2017 Bonds.]

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds and any Parity Debt in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall

be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each September 1 and March 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument 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 paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency 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) or 4.03(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency 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 shall be pro-rata with respect to each such instrument.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Unless otherwise provided pursuant to a Supplemental Indenture or Parity Debt Instrument, a subaccount established in the Reserve Account shall secure only the series of Bonds to which it relates.

(d) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), the Trustee shall withdraw from the

Debt Service Fund any amount transferred by the Successor Agency pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the 2017A Bonds, 2017B Bonds and on other Bonds to be redeemed on such date pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the 2017A Bonds, 2017B Bonds and on such other Bonds to be redeemed pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture on the date set for such redemption. Interest due on the 2017A Bonds, 2017B Bonds or such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such 2017A Bonds, such 2017B Bonds or such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the 2017A Bonds, 2017B Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such 2017A Bonds, such 2017B Bonds or such other Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

Section 4.04 Rebate Fund. When needed, the Trustee shall establish a separate fund for the 2017A 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 2017A Bonds will not be adversely affected, the Successor 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 2017A 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 2017A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the 2017A 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 Computation 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 55 days of the end of each fifth Computation Year with respect to the 2017A Bonds, upon the Finance Officer’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 Officer, 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 60 days after the end of (A) the fifth Computation Year with respect to the 2017A 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 Computation Year; and

(Y) Not later than 60 days after the payment of all the 2017A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

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 Subsection 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.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2017A 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 for deposit to the Special Fund and applied by the Successor Agency in accordance with the Law.

(c) 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 2017A Bonds and any Parity Bonds.

(d) 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.

Section 4.05 [Provisions Relating to 2017 Insurance Policy. The following provisions shall apply while any 2017 Bonds are Outstanding:] [to come]

Section 4.06 [Provisions Relating to 2017 Reserve Policy. Notwithstanding anything to the contrary set forth in the Indenture, the Successor Agency and the Trustee agree to comply with the following provisions while any 2017 Bonds are Outstanding:] [to come]

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 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 except for obligations issued in accordance with Sections 3.05, 3.06 or 3.07 hereof. 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 Project Areas, 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 2017 Insurer, any other] Insurer and 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 will cause to be prepared, within two hundred and seventy (270) days after the close of each Fiscal Year so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Projects, including the balances in all funds and accounts relating to the Redevelopment Projects, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2017 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. In addition, the Successor Agency shall deliver to the Trustee, the 2017 Insurer and any other Insurer, on or about February 1 of each year, a Written Certificate of the Successor Agency stating that the Successor Agency is in compliance with its obligations hereunder. The Trustee shall have no obligation to review any financial statements provided to it by the Successor Agency.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2017 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2017 Insurer may reasonably request.

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 the 2017 Bonds, the 2017 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 Redevelopment Projects, 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 Redevelopment Projects 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 with respect to 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 a Redevelopment Plan in effect on the date of issuance of the 2017 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.

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. The Successor Agency shall not undertake proceedings for amendment of any of the Redevelopment Plans if such amendment shall result in payments to one or more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency's ability to pay debt service on the Bonds.

Section 5.11 Tax Covenants. In connection with the 2017A Bonds, 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 2017A 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 2017A Bonds and any Parity 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 2017A Bonds or Parity Bonds issued as tax exempt bonds or of any other monies or property which would cause the 2017A Bonds or Parity Bonds issued as tax exempt 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 2017A Bonds or Parity Bonds issued as tax exempt 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 2017A Bonds or Parity Bonds issued as tax exempt 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 2017A Bonds or Parity Bonds issued as tax exempt bonds or take or omit to take any action that would cause the 2017A Bonds or Parity Bonds issued as tax exempt 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 2017A Bonds or any Parity Bonds issued as tax exempt bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any 2017A Bonds or any Parity 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 2017A Bonds or any Parity Bonds issued as tax exempt 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 2017A Bonds and Parity Bonds issued as tax exempt bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 5.12 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 considered an Event of Default; however, any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.13 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 will take all actions required under the Dissolution Act to include

(i) scheduled debt service on the Existing Bonds and any amounts required to replenish any of the reserve accounts established with respect to Existing Bonds,

(ii) scheduled debt service on the 2017 Bonds and any Parity Debt and any amount required under this Indenture or any Parity Debt Instrument to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to any Insurer under an insurance or surety bond agreement,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the 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 ROPS Period and the Bond Year commencing in such ROPS period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2017 Insurer hereunder or to any other insurer of the Existing Bonds or any Parity Debt on a timely basis, on or before each February 1 following the Closing Date (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 County

Auditor-Controller that shall include (after making provision for payments with respect to all Existing Bonds in accordance with the Successor Agency's obligations under the indentures or agreements providing for such payments), from the Pledged Tax Revenues to be distributed to the Successor Agency on each June 1, (i) an amount sufficient to pay the interest payment coming due on all Outstanding Bonds on the following September 1 after taking into account moneys already held by the Trustee in the Debt Service Fund, (ii) an amount sufficient to pay all principal and interest payments coming due on all Outstanding Bonds during the following calendar year, (iii) all amounts due and owing to the 2017 Insurer hereunder or to any other Insurer, and (iv) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument). The Successor Agency intends by this covenant to use the Pledged Tax Revenues distributed to the Successor Agency on each June 1 to pay debt service coming due on the Bonds on March 1 and September 1 of the following calendar year. The interest payments coming due on the 2017 Bonds on [March 1, 2018 and] September 1, 2018 will be paid using moneys [transferred to the Trustee on the Closing Date].

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2017 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, the Successor Agency shall deposit the first Pledged Tax Revenues distributed to the Successor Agency in each Bond Year, up to the full amount of debt service coming due on the next three Interest Payment Dates (taking into account moneys already held by the Trustee in the Debt Service Fund), in the Special Fund and thereafter transfer such amounts to the Trustee in accordance with Sections 4.02 and 4.03.

Section 5.14 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 man 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, 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) 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 written notice of such removal by the Successor Agency to the Trustee, with a copy to any Insurer, 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 and any Insurer 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, with notice of such appointment to be furnished to any Insurer.

(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 (and, while any 2017 Bonds are Outstanding, the approval of the 2017 Insurer). 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 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 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 hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to any Insurer and 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 shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer 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 or any Parity Debt are Outstanding, the Trustee shall be a financial institution having a trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$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 (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(g) **Provisions Benefiting 2017 Insurer.** Notwithstanding anything to the contrary set forth in this Indenture, the following provisions shall apply while any 2017 Bonds are Outstanding:

(i) The 2017 Insurer shall receive prior written notice of any name change, resignation, removal or substitution of the Trustee.

(ii) The Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by the 2017 Insurer in writing.

(iii) The 2017 Insurer shall have the right to direct the replacement of the Trustee upon the occurrence of an event of a default on the 2017 Bonds and any event of default under any Existing Bonds or Subordinate Debt to the extent the 2017 Insurer determines in its sole discretion that there exists or could exist a conflict of interest.

Section 6.02 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (f) 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 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 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 discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or 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 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 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 or any Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Insurer 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 agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

(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.

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, 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 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 and copying by the Successor Agency and any Insurer 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 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 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 against any loss, expense and liabilities including legal fees and expenses 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 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 Reserve Account, the Redemption Account

and the Costs of Issuance Fund 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, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the Successor Agency specifying a specific money market fund and, if no such Written Request of the Successor Agency is so received, 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. 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; *provided, however*, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. 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 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 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 effected by the Trustee as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

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.

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). Investments on deposit in the Reserve Account shall be valued on June 30 of each year at their market value.

Section 6.08 Accounting Records and Financial Statements. The Successor Agency and 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 complete and 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 Successor Agency and the Trustee, respectively, established pursuant to this Indenture. Such books of record and account maintained by the Trustee shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. Such books of record and account relating the 2017 Bonds shall at all times during normal business hours and upon reasonable notice be subject to inspection by the 2017 Insurer or its agents or representatives who have been duly authorized in writing. The Trustee shall furnish to the Successor Agency, on at least a monthly basis, 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 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 without the consent of any Owners (and without the consent of any Insurer), 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 additional requirements of a provider of a Qualified Reserve Account Credit Instrument; provided that such amendment does not have an adverse impact on the 2017 Insurer's rights under the Indenture or the availability of Pledged Tax Revenues for the 2017 Bonds.

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 any Insurer (but only with respect to any Bonds insured by such Insurer) and 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. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer 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 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, with the prior written consent of any Insurer, 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 Principal 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 and, provided further that written consent to such amendment shall first be obtained from any Insurer.

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 exclusion of interest on the Bonds issued as tax-exempt bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

Section 7.06 Copy of Supplemental Indenture to S&P and Moody's. The Successor Agency shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, maintain a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

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 any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) 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 (with the prior written consent of any Insurer) 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 as approved by any Insurer; 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 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 will approve 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 will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit 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, (a) 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) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity. The 2017 Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration with respect to the 2017 Bonds.

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 any Insurer and to the Successor Agency 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 in its sole discretion 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, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, 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 any Insurer and 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, by written notice to the Successor Agency and to 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 to the extent such services are not redundant with those provided by outside 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 Bonds 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 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, 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 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 Successor Agency, the Trustee and any Insurer 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 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 or Parity Debt 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.

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.

Section 8.09 [Provisions Benefiting 2017 Insurer. Notwithstanding anything to the contrary set forth in this Indenture, the following provisions shall apply while any 2017 Bonds are Outstanding:] [to come]

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, any Insurer, 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, any Insurer and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, such Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

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 Discharge of Indenture.

(a) 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 and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(ii) 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;

(iii) 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(c) 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 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 (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. 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 to the Special Fund and applied by the Successor Agency in accordance with the Law.

(b) [At least 3 Business Days prior to any defeasance with respect to the 2017 Bonds, the Successor Agency shall deliver to the 2017 Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the 2017 Bonds, a verification report (a "Verification Report") prepared by an Independent Accountant regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the 2017 Insurer and shall be in form and substance satisfactory to the 2017 Insurer. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of an escrow agreement relating to the defeasance of 2017 Bonds shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the 2017 Bonds is excludable) from gross income of the holders of the 2017 Bonds of the interest on the 2017 Bonds for federal income tax purposes and the prior written consent of the 2017 Insurer, which consent will not be unreasonably withheld.

(ii) The Successor Agency will not exercise any prior optional redemption of 2017 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the 2017 Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Successor Agency shall not amend an escrow agreement relating to the defeasance of 2017 Bonds or enter into a forward purchase agreement or other agreement with

respect to rights in such escrow without written notice to and the prior written consent of the 2017 Insurer.]

(c) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due of the Bonds is paid by any Insurer pursuant to its municipal bond or financial guaranty insurance policy, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, and the assignment and pledge of the Pledged Tax Revenues and other assets hereunder and all covenants, agreements and other obligations of the Successor Agency to the Bondowners so paid shall continue to exist and shall run to the benefit of such Insurer, and such Insurer shall be subrogated to the rights of such Bondowners, as applicable.

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 such Owner's 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 Written 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 or interest or any premium 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 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 facsimile, addressed as follows:

If to the Successor Agency: Successor Agency of the Redevelopment Agency of the
City of Lake Elsinore
130 South Main Street
Lake Elsinore, California 95965
Attention: Executive Director

If to the Trustee: Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
Attention: Corporate Trust Department
Fax No.: (714) 384-4151

If to the 2017 Insurer: [to come]

The Successor Agency, the Trustee [and the 2017 Insurer] may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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 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 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 9.11 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.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE has caused this Indenture to be signed in its name by its Administrator, and WILMINGTON TRUST, NATIONAL ASSOCIATION, 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 OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF LAKE ELSINORE**

By: _____
Executive Director

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

EXHIBIT A
(FORM OF 2017A BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE
(RANCHO LAGUNA REDEVELOPMENT PROJECT
AREAS NO. II AND NO. III)
THIRD LIEN TAX ALLOCATION BONDS, SERIES 2017A**

INTEREST RATE: _____ **MATURITY DATE:** _____ **DATED DATE:** _____ **CUSIP:** _____
February 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ **DOLLARS**

The SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, a public entity 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), 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 fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before _____, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above,

payable semiannually on March 1 and September 1 in each year, commencing [_____] 1, 20__] (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 corporate trust office of Wilmington Trust, National Association, as trustee (the "Trustee"), in Costa Mesa, California or at such other place designated by the Trustee (the "Principal Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption) 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 such Interest Payment 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 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 "Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A" (the "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 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 the Indenture), and the California 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 _____, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable)" (the "2017B Bonds") that are payable from Pledged Tax Revenues on a parity with the Bonds. Additional bonds or other obligations may be issued on a parity with the Bonds and the 2017B Bonds, but only subject to the terms of the Indenture. 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, to the Dissolution Act, to the Refunding Law and to the Law for a description of the terms on which the Bonds and the 2017B Bonds are issued, the provisions with regard to the nature and extent of the Pledged 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. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Bonds are limited obligations of the Successor Agency and this Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Indenture), are payable from, and are secured by a pledge of, security interest in and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas.

There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, into which Pledged 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 and any additional Parity Debt as defined in the Indenture. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues and the moneys in the Special Fund (as such terms are defined in the Indenture) are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture, the Dissolution Act, the Refunding Law 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, the 2017B Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 Debt Service Fund, the Interest Account, the Principal Account, the applicable subaccount within the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged 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 and the 2017B Bonds.

[The Bonds are subject to redemption prior to maturity as provided in the Indenture.]

As provided in the Indenture, notice of redemption shall be given by first class mail no less than twenty (20) (or such longer period, up to thirty (30) days, as may be required by the Depository) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of 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 the 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.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

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 Principal 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 fifteen (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 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, (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.

This Bond is not a debt, liability or obligation of the City of Lake Elsinore, the State of California, or any of its political subdivisions except the Successor Agency, and neither said City, said State, nor any of its political subdivisions except the Successor Agency is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged by the Successor Agency under the Indenture. 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 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 as amended by the Dissolution Act or any other 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 Successor Agency of the Redevelopment Agency of the City of Lake Elsinore 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 the facsimile signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF LAKE ELSINORE**

By: _____
Executive Director

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

**WILMINGTON TRUST, NATIONAL
ASSOCIATION**, as Trustee

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

(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
(FORM OF 2017B BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

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**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE
(RANCHO LAGUNA REDEVELOPMENT PROJECT
AREAS NO. II AND NO. III)
THIRD LIEN TAX ALLOCATION BONDS,
SERIES 2017B (FEDERALLY TAXABLE)**

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, a public entity 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), 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 fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before _____, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest

Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing [_____ 1, 20__] (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 corporate trust office of Wilmington Trust, National Association, as trustee (the "Trustee"), in Costa Mesa, California or at such other place designated by the Trustee (the "Principal Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption) 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 such Interest Payment 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 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 "Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable)" (the "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 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 the Indenture), and the California 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 _____, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A" (the "2017A Bonds") that are payable from Pledged Tax Revenues on a parity with the Bonds. Additional bonds or other obligations may be issued on a parity with the Bonds and the 2017A Bonds, but only subject to the terms of the Indenture. 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, to the Dissolution Act, to the Refunding Law and to the Law for a description of the terms on which the Bonds and the 2017A Bonds are issued, the provisions with regard to the nature and extent of the Pledged 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. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Bonds are limited obligations of the Successor Agency and this Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Indenture), are payable from, and are secured by a pledge of, security interest in and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas.

There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, into which Pledged 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 and any additional Parity Debt as defined in the Indenture. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues and the moneys in the Special Fund (as such terms are defined in the Indenture) are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture, the Dissolution Act, the Refunding Law 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, the 2017A Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 Debt Service Fund, the Interest Account, the Principal Account, the applicable subaccount within the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged 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 and the 2017A Bonds.

[The Bonds are subject to redemption prior to maturity as provided in the Indenture.]

As provided in the Indenture, notice of redemption shall be given by first class mail no less than twenty (20) days (or such longer period, up to thirty (30) days, as may be required by the Depository) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of 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 the 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.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

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 Principal 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 fifteen (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 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, (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.

This Bond is not a debt, liability or obligation of the City of Lake Elsinore, the State of California, or any of its political subdivisions except the Successor Agency, and neither said City, said State, nor any of its political subdivisions except the Successor Agency is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged by the Successor Agency under the Indenture. 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 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 as amended by the Dissolution Act or any other 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 Successor Agency of the Redevelopment Agency of the City of Lake Elsinore 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 the facsimile signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF LAKE ELSINORE**

By: _____
Executive Director

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

**WILMINGTON TRUST, NATIONAL
ASSOCIATION**, as Trustee

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

(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 C

FORM OF REQUISITION FOR DISBURSEMENT FROM PROJECT FUND

\$ _____
**Successor Agency of the Redevelopment
Agency of the City of Lake Elsinore
(Rancho Laguna Redevelopment Project
Areas No. II and No. III)
Third Lien Tax Allocation Bonds,
Series 2017A**

\$ _____
**Successor Agency of the Redevelopment
Agency of the City of Lake Elsinore
(Rancho Laguna Redevelopment Project
Areas No. II and No. III)
Third Lien Tax Allocation Bonds,
Series 2017B (Federally Taxable)**

REQUISITION NO. ____ FOR
DISBURSEMENT FROM PROJECT FUND
SERIES [2017A][2017B] ACCOUNT

The undersigned hereby states and certifies:

(i) that the undersigned is a duly authorized representative of the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (the "Successor Agency"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.04 of that certain Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), by and between the Successor Agency and Wilmington Trust, National Association, as trustee (the "Trustee"), the undersigned hereby requests the Trustee to disburse this date the following amounts from the Series [2017A][2017B] Account of the Project Fund established under the Indenture relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein is an obligation to the payee stated in Exhibit A that has been incurred by the Successor Agency pursuant to the Summerly DDA, and as such is a proper charge against the Project Fund; and

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final.

Dated: _____, 20__

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF
LAKE ELSINORE

By: _____
Authorized Officer

EXHIBIT A

PROJECT FUND DISBURSEMENTS

Series [2017A][2017B] Account

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
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