

MEETING NOTICE AND AGENDA
REGULAR MEETING OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
Monday, March 19, 2018 at 9:00 a.m. – Regular Session
City of Madera - City Hall Council Chambers, 205 West Fourth Street, Madera, California

1. CALL TO ORDER – REGULAR SESSION

ROLL CALL

Stell Manfredi, Chairperson

(Representing a Member of the Public at Large)

Bobby Kahn, Vice Chairperson

(Representing the Chancellor of Community Colleges)

Robert L. Poythress, Board Member

(Representing the Madera County Board of Supervisors)

Donald Horal, Board Member

(Representing the Madera County Mosquito & Vector Control District)

Cecilia Massetti, Ed.D., Board Member

(Representing the Madera County Superintendent of Schools)

Derek Robinson, Board Member

(Representing the Madera City Council)

Bob Wilson, Board Member

(Representing Former Madera Redevelopment Agency Employees)

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

2. CONSENT CALENDAR

2.1 Minutes of the Regular Meeting of the Oversight Board for January 8, 2018

3. PRESENTATIONS/ADMINISTRATIVE REPORTS

There are no items for this section.

4. NEW BUSINESS

4.1 A Resolution of the Oversight Board of the Successor Agency to the former Madera Redevelopment Agency Approving the Issuance of Refunding Bonds and Making Related Findings and Declarations and Taking Related Actions in Connection Therewith

5. GENERAL

There are no items for this section.

6. BOARD MEMBER REPORTS

7. ADJOURNMENT

The next Regular Meeting date of the Oversight Board is Monday, April 16, 2018.

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.

Any writing related to an agenda item for the open session of this meeting distributed to the Board less than 72 hours before this meeting is available for inspection at the Successor Agency office located at 428 East Yosemite Avenue, Madera California 93638 during normal business hours.

Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5113.

I, Claudia Mendoza, Recording Secretary, declare under penalty of perjury that I posted the above Meeting Agenda of the Regular Meeting of the Oversight Board of the Successor Agency to the former Madera Redevelopment Agency for Monday, March 19, 2018, at 9:00 a.m. in the Council Chambers at City Hall near the front entrances of City Hall before the close of business on Thursday March 15, 2018.

/cm



Claudia Mendoza, Recording Secretary

**SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY**
Monday, January 8, 2018 at 9:00 a.m. – Regular Session
City of Madera City Hall – Council Chambers, 205 West Fourth Street, Madera, California

Action/Summary Minutes

RETURN TO AGENDA

1. CALL TO ORDER – REGULAR SESSION

Meeting called to order by Chairperson Stell Manfredi at 9:00 a.m.

ROLL CALL

Board Members Present:

Stell Manfredi, Chairperson
Bobby Kahn, Vice Chairperson
Bob Wilson, Board Member
Derek O. Robinson, Board Member
Donald Horal, Board Member
Robert L. Poythress, Board Member

Board Members Absent:

Cecilia Massetti, E.D., Board Member

Successor Agency Staff Members Present:

Interim City Administrator Steve Frazier, Finance Director/Agency Treasurer Tim Przybyla and Recording Secretary Claudia Mendoza.

The Pledge of Allegiance was led by Vice Chairperson Kahn.

PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

Chairperson Manfredi opened the public comment portion of the meeting. There being no comments offered, the public comment portion of the meeting was closed.

2. CONSENT CALENDAR

2.1 Minutes of the Regular Meeting of the Oversight Board for August 14, 2017

Chairperson Manfredi called for questions or comments, there were none.

Action: Approval of the Consent Calendar item as presented.

Moved by: Board Member Kahn; seconded by Board Member Horal.

Vote: 6/0. Ayes: Board Members Manfredi, Kahn, Wilson, Robinson, Horal and Poythress.

Noes: None.

Abstain: None

Absent: Board Member Massetti.

Announcement by Secretary: Per Government Code Section 54957.5, members of the public are advised, that less than 72 hours prior to today's meeting, Exhibit A and resolution of Item 3.1 was provided to the Oversight Board and staff. If you wish to obtain a copy of this item, it is located on the podium. Thank you.

3. PRESENTATIONS/ADMINISTRATIVE REPORTS

3.1 Consideration of a Resolution Adopting the Madera Recognized Obligation Payment Schedule (ROPS) 18-19 Representing the Period July 1, 2018 to June 30, 2019

Summary of staff report: Business Manager/Board Member Bob Wilson reported the ROPS is required to be submitted annually to the Department of Finance. This differs from a normal budget because once a project is approved on the ROPS it is considered an enforceable obligation and we will continue to carry them including inactive projects.

Chairperson Manfredi asked Mr. Wilson are we reapproving projects that were originally approved. Mr. Wilson responded yes. Once a project is approved in the ROPS, it will stay on there. There is one new item on this ROPS otherwise all other projects have been previously approved.

Chairperson Manfredi asked have the projects financed by bonds been previously approved? Mr. Wilson stated yes. These are pre-2011 bond funds and the use of these bonds has been approved.

Mr. Wilson provided the Oversight Board with a status report of projects listed on the ROPS. He also reported that there was a new line item added that shifted \$2 million from inactive projects.

Vice-Chairperson Kahn asked Mr. Wilson if we have other uses for the inactive funds? Mr. Wilson responded that he added line item # 164 to shift some of the inactive dollars. We still have inactive projects on the ROPS but it is not shown for the upcoming fiscal year budget. If we want to bring it back next year the Department of Finance will be okay with it. Every time you submit a new project you have to demonstrate that it is an enforceable obligation, it is in line with the bond covenants and it agrees with the Redevelopment plan.

Discussion followed.

Action: Approval of the Resolution Adopting the Madera Recognized Obligation Payment Schedule (ROPS) 18-19 Representing the Period July 1, 2018 to June 30, 2019.

Moved by: Board Member Poythress; seconded by Board Member Robinson.

Vote: 6/0. Ayes: Board Members Manfredi, Kahn, Wilson, Robinson, Horal and Poythress.

Noes: None.

Abstain: None

Absent: Board Member Massetti.

3.2 Consideration of a Resolution Approving the Administrative Budget of the Successor Agency for the Period July 1, 2018 – June 30, 2019

Summary of staff report: Business Manager/Board Member Bob Wilson reported this is also an item to be submitted to the Department of Finance annually. This information is included in the ROPS. We get \$250,000 of new money for administrative costs and \$252,000 budgeted in bond funds administrative costs for salaries, benefits, maintenance and operation.

Vice-Chairperson Kahn asked if the retirement of the Executive Director change your anticipated salary and benefit line item? Mr. Wilson responded it has not been incorporated in to this one, but he looked into seeing if we could pay some of costs of his retirement. He found out that if the Successor Agency had been established with its own Pers report that it is sent out every year, we would have been able to claim that under the ROPS. But for now the costs are falling under the \$250,000. In upcoming years that will change the Administrative Costs. But this budget was created prior to his retirement.

Board Member Robinson asked if Mr. Wilson's workload has doubled since Jim is no longer there. Mr. Wilson stated that he is trying to keep things moving, it has definitely changed. Board Member Robinson also asked Mr. Wilson since he has a bigger workload is he compensated for that? Mr. Wilson responded that nothing has been done yet.

Chairperson Manfredi asked Mr. Wilson if the Oversight Board has any authority on personnel matters or is it strictly Successor Agency? Mr. Wilson responded no, it is the Successor Agency.

Chairperson Manfredi asked Board Member Robinson to encourage the Successor Agency to review that matter.

Action: Approval of the Administrative Budget of the Successor Agency for the Period July 1, 2018 – June 30, 2019.
Moved by: Board Member Kahn; seconded by Board Member Wilson.
Vote: 6/0. Ayes: Board Members Manfredi, Kahn, Wilson, Robinson, Horal and Poythress.
Noes: None.
Abstain: None
Absent: Board Member Massetti.

4. NEW BUSINESS

There are no items for this section.

5. GENERAL

Board Member Wilson reported on July 1, 2018 the Chowchilla and Madera will combine into one Oversight Board. It is recommended that staffing and people who is responsible for staffing be familiar with the process. The County has asked City of Madera if they would assume the responsibility for staffing the Oversight Board. This will be on the agenda for the next Successor Agency meeting.

Mr. Wilson reviewed the new requirements with Board Members.

Discussion followed.

6. BOARD MEMBER REPORTS

No reports were given.

7. ADJOURNMENT

The meeting was adjourned at 9:35 a.m.

Respectfully submitted by,

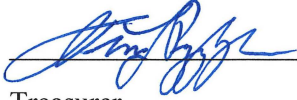
Claudia Mendoza, Recording Secretary

Stell Manfredi, Chairperson

REPORT TO THE OVERSIGHT BOARD

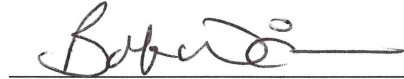
Approved by:

Board Meeting of: March 19, 2018



Treasurer

Agenda Number: 4.1



Executive Director

SUBJECT

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

RECOMMENDED ACTION

Staff recommends the Oversight Board adopt the resolution in connection with the issuance of the refunding bonds of the Successor Agency to the Former Madera Redevelopment Agency.

BACKGROUND

As part of the Successor Agency's ongoing effort to implement cost reduction. The Executive Director, Treasurer and Municipal Advisor have identified four outstanding bond issues of the Successor Agency (the "Agency") that can be refunded for significant debt service savings:

Issue	Original Amount	Outstanding Amount	Final Maturity	Remaining Interest Rates
1998 Tax Allocation Redevelopment Project Bonds ⁽¹⁾	\$7,440,000	\$5,415,000	9/1/2028	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds ⁽²⁾	\$19,495,000	\$13,350,000	9/1/2033	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A ⁽³⁾	\$25,455,000	\$22,260,000	9/1/2038	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ⁽⁴⁾	\$4,000,000	\$3,320,000	9/1/2038	4.50-5.375%

Notes

Collectively, the ("Prior Bonds")

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

The Prior Bonds are secured by tax increment revenue received from the Agency's project area.

DISCUSSION

Based on current interest rates, substantial savings may be realized if the Prior Bonds are refunded, benefiting not only the City's General Fund but the other taxing entities. For that reason, staff is recommending the Oversight Board adopt the resolution approving the sale of the 2018 Tax Allocation Refunding Bonds, Series 2018A and the Tax Allocation Refunding Bonds, 2018B (Federally Taxable) together the ("2018 Refunding Bonds").

Benefits of the Refunding

The Prior Bonds are currently outstanding in the amount of \$44,345,000, have a final maturity of September 1, 2038 with existing interest rates ranging from 4.375% to 5.375%. Based on interest rates as of March 5, 2018, assuming an underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund, the Prior Bonds can be refunded to the same term at approximate yields ranging from 1.87-4.11%.

Options for Consideration

Successor Agency staff is seeking direction from the Oversight Board this morning on two different structuring options. These two options were presented to the Successor Agency Board on Wednesday March 14 and direction was given to pursue the Level Savings option. The two options are also being presented tonight for your discussion and consideration:

Level Savings

Refinancing the Prior Bonds on a level savings basis is estimated to produce total savings of approximately \$8,637,954 over the life of the bonds and produce average annual savings of approximately \$452,353 per year from year 2020 to 2038. In today's dollars, the net present value savings are estimated at \$6,307,908 or equal to 14.22%^(*) of the Prior Bonds principal amount.

Accelerated Savings

Refinancing the Prior Bonds on an accelerated savings basis is estimated to produce total savings of approximately \$6,675,698 and produce average annual savings of approximately \$1,098,206 per year from 2020 to 2025. In today's dollars, the net present value savings are estimated at \$5,979,429 or equal to 13.48%^(*) of the Prior Bonds principal amount.

Notes

(*) Generally net present value savings more than 3.00% are considered significant. The Government Finance Officers Association, in their best practices white paper titled "Analyzing and Issuing Refunding Bonds" from February 2011, reports that "one test often used by issuers to assess the appropriateness of a refunding is the requirement specifying the achievement of a minimum net present value (NPV) savings. A common threshold is that the savings (net of all issuance costs and any cash contribution to the refunding), as a percentage of the refunded bonds exceeds 3-5%."

The debt service on the Successor Agency bonds is not an obligation of the City's General Fund. The debt service is payable solely from tax increment revenues received from the City's Redevelopment project area and any funds held under the legal documents.

Most of the financing team will work on a contingent basis and all fees are payable solely upon the successful sale and closing of the 2018 Refunding Bonds with two exceptions. First, the fees and expenses of Fraser & Associates as Fiscal Consultant cannot be contingent because they prepare projections and other pertinent information relied upon by investors. Second, Standard & Poor's will be asked to provide a rating on the transaction and again, because this rating is relied upon by investors, their fee cannot be contingent. Should the 2018 Refunding Bonds not close, these two costs can be recovered through the Successor Agency ROPs process. All other fees and expenses of the transaction are paid from the costs of issuance of the transaction and are accounted for in all savings calculations.

Financing Team

To facilitate the issuance of the 2018 Refunding Bonds, the Successor Agency previously engaged the services of: Brandis Tallman LLC as Underwriter, Jones Hall, A Professional Law Corporation, as Bond Counsel and as Disclosure Counsel, Fraser & Associates as Fiscal Consultant and Del Rio Advisors, LLC as Municipal Advisor.

- **Underwriter**

The Underwriter is an investment banking firm that assists in structuring the bonds, assists the team with the bond rating and credit enhancement process and markets / sells the bonds to potential investors. The underwriter is also prepared to underwrite any unsold balances on the date of sale.

- **Bond Counsel**

Bond Counsel drafts the bond documents and ensures that all legal requirements critical to the validity of the bonds are satisfied, and issues the required opinions, including as to the tax exemption of the tax-exempt bonds.

- **Disclosure Counsel**

Disclosure Counsel prepares the official statement and sets up the continuing disclosure undertaking. The official statement is the primary marketing document used by the Underwriter to market the bonds to potential investors.

- **Fiscal Consultant**

The Fiscal Consultant prepares a Fiscal Consultant's Report used as an exhibit to the official statement and prepares the tables contained in the body of the document. The report and tables describe all information and data related to the project area including a projection of future tax increment expected to be received by the Agency for the remaining term of the bonds.

- **Municipal Advisor**

The Municipal Advisor assists the Agency in the solicitation of fee proposals and makes recommendations on the selection of Underwriter, Bond and Disclosure Counsel and Fiscal Consultant. The Municipal Advisor will make recommendations as to the structure, timing and terms of the bonds, reviews all fees and expenses, coordinates the financing team, assists

in verifying coupons and yields on the date of sale and reviews and comments on all documents.

Documents for Review and Approval

To facilitate the issuance of the 2018 Refunding Bonds, the Oversight Board will be reviewing certain documents:

- **Refunding Plan and Savings Analysis**

The dissolution law requires a Municipal Advisor to review the refunding, make a representation to both the Successor Agency Board and the Oversight Board and ultimately to the State of California Department of Finance regarding the viability of the refunding. The Refunding Plan and Savings Analysis is the document prepared by the Municipal Advisor to meet this requirement.

- **Indenture of Trust**

A document between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. as Trustee. This document governs all terms and conditions of the 2018 Refunding Bonds including payment terms, management of all funds and accounts, redemption provisions, security provisions, events of default and related remedies and roles and duties of the Trustee.

- **Irrevocable Refunding Instructions**

A document between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. as Prior Trustee. This document governs all terms and conditions for redeeming the Prior Bonds by creating an irrevocable escrow account such that the Prior Bonds are redeemed in full and off the books of the Successor Agency.

Tentative Schedule

If the Oversight Board approves moving forward this morning, the remaining steps for formal approval are as follows:

- Move the documentation to:
 - Madera County Administrative Officer
 - Madera County Auditor-Controller
 - State of California Department of Finance (“DoF”)
- DoF has five (5) days to reply that they will review the refunding and sixty (60) days to reply with formal approval / denial
- Disclosure Counsel prepares the official statement
- Successor Agency Board reviews and approves the official statement

FINANCIAL IMPACT

Level Savings

<i>Total Estimated Savings:</i>	<i>\$8,637,954⁽¹⁾</i>
<i>Estimated Net Present Value “NPV” Savings:</i>	<i>\$6,307,908⁽¹⁾</i>
<i>Estimated NPV Savings % (Par of Prior Bonds)</i>	<i>14.22%⁽¹⁾</i>
<i>Estimated Costs of Issuance:</i>	<i>\$280,199⁽²⁾</i>
<i>Estimated Cost of Credit Enhancement:</i>	<i>\$576,428⁽³⁾</i>

Accelerated Savings

<i>Total Estimated Savings:</i>	<i>\$6,675,698⁽¹⁾</i>
<i>Estimated Net Present Value “NPV” Savings:</i>	<i>\$5,979,429⁽¹⁾</i>
<i>Estimated NPV Savings % (Par of Prior Bonds)</i>	<i>13.48%⁽¹⁾</i>
<i>Estimated Costs of Issuance:</i>	<i>\$280,021⁽²⁾</i>
<i>Estimated Cost of Credit Enhancement:</i>	<i>\$590,174⁽³⁾</i>

Notes

-
- (1) Based on interest rates as of March 5, 2018 and includes all costs of issuing the bonds
 - (2) Includes Underwriter’s Discount and Costs of Issuance
 - (3) Includes Bond Insurance and Surety Policy for the Reserve Fund

The City’s General Fund and the other taxing entities will receive a proportionate share of the annual debt service savings through the RPTTF distribution in the form of unrestricted property tax.

The table below displays a reasonable estimate of the costs of issuance related to the 2018 Refunding Bonds for each of the two scenarios. The costs of issuance are taken into consideration for all savings calculations.

Estimated Costs of Issuance

	Level Savings	Accelerated Savings
Projected Issue Size	\$38,190,000.00	\$38,105,000.00
Bond / Disclosure Counsel	50,000.00	50,000.00
Municipal Advisor	48,250.00	48,250.00
Fiscal Consultant	26,000.00	26,000.00
Rating Fee	40,000.00	40,000.00
Trustee / Escrow Agent	7,500.00	7,500.00
Trustee Counsel	1,500.00	1,500.00
Verification Report	5,000.00	5,000.00
Printing	10,000.00	10,000.00
Miscellaneous	7,500.00	7,500.00
Rounding Adjustment	4,250.00	4,250.00
Total Estimated Costs of Issuance	\$200,000.00	\$200,000.00
Percentage	0.52%	0.52%
Total Estimated Underwriter's Discount	\$80,199.00	\$80,020.50
Percentage	0.210%	0.210%
Total Estimated Costs of Credit Enhancement	\$576,428.18	\$590,174.14
Percentage	1.51%	1.55%
Total Estimated Costs of Issuance	\$856,627.18	\$870,194.64
Percentage	2.24%	2.28%

To comply with a new law (Government Code 5852.1) the following good faith estimates of certain costs and charges for the 2018 Refunding Bonds are included here and displayed as ranges depending on whether the Board chooses the Level Savings or Accelerated Savings option:

	Level Savings	Accelerated Savings
Estimated "All-In" True Interest Cost of the Bonds:	3.777%	3.838%
Estimated Finance Charge of the Bonds (Sum of all Fees and Charges Paid to Third Parties) (Includes Credit Enhancement)	\$856,627	\$870,195
Estimated Amount of Proceeds of the Bonds Received by the Agency (Net of Finance Charges, Reserves and Capitalized Interest, If Any) (Amount Used to Defeas the Prior Bonds)	\$39,990,703	\$39,990,703
Estimated Total Payment Amount to Maturity of the Bonds: (Sum Total of all Payments to Pay Debt Service on the Bonds Plus Finance Charges Not Paid with Proceeds of the Bonds, If Any)	\$56,824,724	\$58,786,980

TAXING ENTITY ESTIMATED NET CASH FLOW SAVING BY YEAR
PERCENTAGE SHARE FOR RESIDUAL DISTRIBUTION (1)
Years 2020 - 2028

Level Savings

Taxing Entity	Percent	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
Total Annual Savings		\$ 509,629	\$ 518,579	\$ 510,017	\$ 504,576	\$ 518,161	\$ 511,223	\$ 518,779	\$ 519,336	\$ 518,473
COUNTY GENERAL	6.82%	\$ 34,762	\$ 35,372	\$ 34,788	\$ 34,417	\$ 35,344	\$ 34,871	\$ 35,386	\$ 35,424	\$ 35,365
CITY OF MADERA	28.77%	146,625	149,200	146,736	145,171	149,079	147,083	149,257	149,417	149,169
MADERA MOSQUITO ABATEMENT	0.59%	3,009	3,062	3,011	2,979	3,059	3,018	3,063	3,066	3,061
MADERA CEMETERY	0.35%	1,769	1,800	1,770	1,751	1,798	1,774	1,801	1,802	1,799
MADERA CO FLOOD	0.18%	926	943	927	917	942	929	943	944	943
STATE CTR COMM COLLEGE	7.49%	38,192	38,863	38,221	37,814	38,832	38,312	38,878	38,920	38,855
MADERA UNIFIED	50.44%	257,066	261,581	257,261	254,517	261,369	257,870	261,681	261,962	261,527
CHILD DEVELOPMENT CTR	0.06%	294	299	295	291	299	295	300	300	299
CHILD INSTITUTIONS	0.12%	593	603	593	587	603	595	603	604	603
DEPT OF EDUC	0.57%	2,926	2,978	2,929	2,897	2,975	2,936	2,979	2,982	2,977
EDUC HANDICAPPED	0.01%	32	33	32	32	33	32	33	33	33
EQUAL AID	2.97%	15,120	15,386	15,132	14,970	15,374	15,168	15,392	15,408	15,383
JUVENILE HALL EDUC	0.06%	289	294	289	286	294	290	294	294	294
PHYSICALLY HANDICAPPED	1.00%	5,091	5,180	5,095	5,040	5,176	5,107	5,182	5,188	5,179
R O P	0.30%	1,510	1,537	1,512	1,495	1,536	1,515	1,537	1,539	1,537
TRAINABLE RETARDED	0.28%	1,425	1,450	1,426	1,411	1,449	1,429	1,451	1,452	1,450
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Accelerated Savings

Taxing Entity	Percent	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
Total Annual Savings		\$ 1,843,967	\$ 1,607,104	\$ 1,057,654	\$ 848,995	\$ 655,792	\$ 575,723	\$ 1,892	\$ 7,402	\$ 2,079
COUNTY GENERAL	6.82%	\$ 125,777	\$ 109,621	\$ 72,143	\$ 57,910	\$ 44,732	\$ 39,270	\$ 129	\$ 505	\$ 142
CITY OF MADERA	28.77%	530,525	462,378	304,296	244,263	188,677	165,640	544	2,130	598
MADERA MOSQUITO ABATEMENT	0.59%	10,886	9,488	6,244	5,012	3,872	3,399	11	44	12
MADERA CEMETERY	0.35%	6,400	5,578	3,671	2,947	2,276	1,998	7	26	7
MADERA CO FLOOD	0.18%	3,352	2,922	1,923	1,543	1,192	1,047	3	13	4
STATE CTR COMM COLLEGE	7.49%	138,189	120,438	79,262	63,625	49,146	43,145	142	555	156
MADERA UNIFIED	50.44%	930,129	810,652	533,499	428,248	330,793	290,405	954	3,734	1,049
CHILD DEVELOPMENT CTR	0.06%	1,065	928	611	490	379	332	1	4	1
CHILD INSTITUTIONS	0.12%	2,145	1,869	1,230	987	763	670	2	9	2
DEPT OF EDUC	0.57%	10,588	9,228	6,073	4,875	3,766	3,306	11	43	12
EDUC HANDICAPPED	0.01%	116	101	66	53	41	36	0	0	0
EQUAL AID	2.97%	54,709	47,682	31,380	25,189	19,457	17,081	56	220	62
JUVENILE HALL EDUC	0.06%	1,045	911	599	481	372	326	1	4	1
PHYSICALLY HANDICAPPED	1.00%	18,420	16,054	10,565	8,481	6,551	5,751	19	74	21
R O P	0.30%	5,465	4,763	3,135	2,516	1,944	1,706	6	22	6
TRAINABLE RETARDED	0.28%	5,156	4,493	2,957	2,374	1,834	1,610	5	21	6
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Amount is net of pass through payments.

Note: Starting with Child Development, these are County office of Education.

ATTACHMENTS

- | | |
|---------------|-------------------------------------|
| Attachment A: | Oversight Board Resolution |
| Attachment B: | Refunding Plan and Savings Analysis |
| Attachment C: | Indenture of Trust |
| Attachment D: | Irrevocable Refunding Instructions |

RESOLUTION No. OB 18-____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references in this Resolution are to the California Health and Safety Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency to the former Madera Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Section 34179, this Oversight Board has been established for the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued four outstanding series of bonds (the "Outstanding Bonds"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("1998 Bonds")

(ii) \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("2003 Bonds"); and

(iii) \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A and \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("2008 Bonds");

WHEREAS, the Successor Agency has determined that debt service savings can be achieved by refunding the Outstanding Bonds and the Successor Agency has informed the Oversight Board that it wishes to refund and defease the Outstanding Bonds;

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A and Tax Allocation

Refunding Bonds, Series 2018B (Federally Taxable) (together, the "Refunding Bonds"), the Successor Agency has caused its independent municipal advisor, Del Rio Advisors, LLC (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Outstanding Bonds (the "Debt Service Savings Analysis"), and the Debt Service Savings Analysis is on file with this Oversight Board;

WHEREAS, the Successor Agency has adopted a resolution (the "Successor Agency Resolution") approving the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1);

WHEREAS, the Successor Agency has approved the Debt Service Savings Analysis, approved the issuance of the Refunding Bonds, approved the sale of the Refunding Bonds to an underwriter selected by staff of the Successor Agency after a competitive process (the "Underwriter"), authorized the execution and delivery of the Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Refunding Bonds (the "Indenture"), approved the defeasance and redemption of the bonds in accordance with Irrevocable Refunding Instructions to be given by the Successor Agency to The Bank of New York Mellon Trust Company, N.A., (the "Irrevocable Refunding Instructions"), and the Indenture and the Irrevocable Refunding Instructions are on file with this Oversight Board;

WHEREAS, the Successor Agency has informed the Oversight Board that, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds, and cause to be prepared a form of bond purchase agreement with the Underwriter that will be submitted to the Successor Agency for approval;

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing;

NOW THEREFORE, the Oversight Board to the Successor Agency to the former Madera Redevelopment Agency does hereby resolve as follows:

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

Section 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Outstanding Bonds, all as evidenced by the Debt Service Savings Analysis, which Debt Service Savings Analysis is hereby approved.

Section 3. Direction and Approval of Issuance of the Bonds. As authorized by Section 34177.5(f), the Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings, and as authorized by Section 34177.5(f) and Section 34180, this

Oversight Board hereby directs and approves the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof.

In connection with the sale and issuance of the Refunding Bonds, the Successor Agency is authorized to purchase a municipal bond insurance policy and a debt service reserve fund insurance policy for the Refunding Bonds if the Successor Agency determines that the purchase of either or both reduces the true interest cost of the Refunding Bonds, thereby increasing the savings obtained through the issuance of the Refunding Bonds and the refunding of the Outstanding Bonds.

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of this Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. Based upon the full record before it, which includes but is not limited to staff reports, testimony, and other materials and evidence provided, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

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

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees. Continuing costs such as continuing disclosure and rating agency costs (each a "Continuing Cost of Issuance") shall be placed on the Recognized

Obligation Payment Schedule for determination by the Department of Finance as to whether such Continuing Cost of Issuance should be paid out of the administrative expense allowance or constitute a separate enforceable obligation. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of any of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings with respect to the Refunding Bonds from property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 6. Further Determinations. Pursuant to Health and Safety Code Section 34177 (h), the Oversight Board further finds and determines, based on information provided, that: (a) the Successor Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost financing is obtained with the Refunding Bonds; (b) the Refunding Bonds will not provide for any bullets or spikes and shall not use variable rates of interest; and (c) the Successor Agency has made, and will continue to make, use of an independent financial advisor in issuing the Refunding Bonds.

Section 7. Effective Date. Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

Section 8. Transmittal. The Successor Agency is hereby directed to transmit this Resolution to the Department of Finance.

Section 9. Certification by the Clerk. The Oversight Board's Secretary shall certify to the adoption of this Resolution.

Section 10. Further Authority and Direction. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former Madera Redevelopment Agency of the City of Madera this _____ day of _____, 2018, by the following vote:



Successor Agency to the Madera Redevelopment Agency
Refunding Tax Allocation Bonds
Series 2018A and Series 2018 B (Federally Taxable)

Refunding Plan and Saving Analysis

Oversight Board Meeting
March 19, 2018

Prepared by:  Del Rio Advisors, LLC

Table of Contents

- A. Obligations To Be Refunded
- B. Refunding Plan
- C. Level Savings
 - I. Estimated Refunding Summary
 - II. Estimate Net Cash Flow Savings
 - III. HSC 34177.5(a) Compliance
- D. Accelerated Savings
 - I. Estimated Refunding Summary
 - II. Estimate Net Cash Flow Savings
 - III. HSC 34177.5(a) Compliance
- E. Tentative Financing Schedule
- F. Financing Team

Obligations To Be Refunded

Issue	Original Amount	Outstanding Amount	Final Maturity	Call Date	Remaining Interest Rates
1998 Tax Allocation Redevelopment Project Bonds ⁽¹⁾	\$7,440,000	\$5,415,000	9/1/2028	In Whole On Any Date @ 100%	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds ⁽²⁾	\$19,495,000	\$13,350,000	9/1/2033	In Whole On Any Date @ 100%	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A ⁽³⁾	\$25,455,000	\$22,260,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ⁽⁴⁾	\$4,000,000	\$3,320,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%

Notes

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

Refunding Plan

- Refund all the outstanding obligations for significant economic savings
- Refund a portion of the Series 2008 and Series 2008B as federally taxable
- Security for the bonds will be a gross pledge of RPTTF revenues
- Seek an investment grade rating, bond insurance and a surety for the reserve fund
- If the Oversight Board approves moving forward this evening, the remaining steps for formal approval are as follows:
 - Move the documentation to:
 - Madera County Administrative Officer
 - Madera County Auditor-Controller
 - State of California Department of Finance (“DoF”)
 - DoF has five (5) days to reply that they will review the refunding and sixty (60) days to reply with formal approval / denial
 - Disclosure Counsel prepares the official statement
 - Successor Agency Board approves the official statement

Estimated Refunding Summary (Level Savings)

Prior Issue	Prior Issue Par Amount	New Issue Par Amount	Total Savings ⁽¹⁾	NPV Savings ⁽²⁾	NPV % Prior Bonds
1998	\$5,415,000	\$4,435,000	\$680,835	\$584,727	10.80%
2003	\$13,350,000	\$11,825,000	\$1,635,312	\$1,257,181	9.42%
2008A	\$22,260,000	\$19,085,000	\$5,567,988	\$3,913,634	17.58%
2008B	\$3,320,000	\$2,845,000	\$753,819	\$552,366	16.64%
Totals	\$44,345,000	\$38,190,000	\$8,637,954	\$6,307,908	14.22%

Notes

(1) Assumes interest rates as of March 5, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund

(2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

Estimated Net Cash Flow Savings (Level Savings)^(*)

ROPs Year	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Total
2019	-5,505.75	-17,625.83	57,054.83	6,744.58	40,667.83
2020	79,152.49	109,450.00	284,118.88	36,908.01	509,629.38
2021	75,352.49	111,250.00	291,700.13	40,276.75	518,579.37
2022	77,596.24	110,050.00	283,743.88	38,626.75	510,016.87
2023	74,683.74	107,937.50	284,987.63	36,967.38	504,576.25
2024	76,596.24	110,262.50	291,012.63	40,289.27	518,160.64
2025	75,983.74	109,256.25	287,306.38	38,676.77	511,223.14
2026	72,733.74	110,112.50	293,918.88	42,014.27	518,779.39
2027	73,083.74	111,825.00	293,618.88	40,808.03	519,335.65
2028	77,208.74	109,568.75	291,481.38	40,214.28	518,473.15
2029	3,949.37	112,225.00	294,131.38	39,601.77	449,907.52
2030		109,375.00	296,437.63	38,964.27	444,776.90
2031		111,000.00	293,525.13	38,308.03	442,833.16
2032		109,875.00	292,737.63	40,954.90	443,567.53
2033		108,000.00	295,665.76	38,336.14	442,001.90
2034		112,750.00	294,915.76	41,998.64	449,664.40
2035			280,772.00	39,073.65	319,845.65
2036			286,453.25	39,476.77	325,930.02
2037			284,572.02	39,598.65	324,170.67
2038			286,375.15	36,855.89	323,231.04
2039			3,459.07	-875.71	2,583.36
	680,834.78	1,635,311.67	5,567,988.28	753,819.09	8,637,953.82

(*) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

HSC 34177.5(a) Compliance (Level Savings)

34177.5 (a)(1) For the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that:

(A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded

Prior Bonds Total Principal and Interest	\$69,212,626
Less: Refunding Bonds Total Principal and Interest	(\$56,824,724)
Gross Savings	\$12,387,901
Less: Prior Issue Reserve Fund Adjustment	(\$2,926,790)
Total Net Savings	\$9,461,111

(B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance

The refunding is only providing sufficient funds to defease the refunding bonds, pay related costs of issuance (including purchasing bond insurance and purchasing a surety for the reserve fund)

Estimated Refunding Summary (Accelerated Savings)

Prior Issue	Prior Issue Par Amount	New Issue Par Amount	Total Savings (*)	NPV Savings(*)	NPV % Prior Bonds(*)
1998	\$5,415,000	\$4,410,000	\$624,288	\$581,921	10.75%
2003	\$13,350,000	\$11,730,000	\$1,309,551	\$1,235,146	9.25%
2008A	\$22,260,000	\$19,105,000	\$4,184,548	\$3,661,511	16.45%
2008B	\$3,320,000	\$2,860,000	\$557,311	\$500,851	15.09%
Totals	\$44,345,000	\$38,105,000	\$6,675,698	\$5,979,429	13.48%

Notes

- (1) Assumes interest rates as of March 5, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund
- (2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

Estimated Net Cash Flow Savings (Accelerated Savings)^(*)

ROPs Year	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Combined
2019	-7,302.41	-27,523.54	33,545.76	3,423.96	2,143.77
2020	195,152.49	767,225.00	746,168.88	135,420.51	1,843,966.88
2021	197,552.49	533,025.00	750,356.38	126,170.50	1,607,104.37
2022	194,596.24	3,825.00	747,293.88	111,939.25	1,057,654.37
2023	34,583.74	4,112.50	697,700.13	112,598.63	848,995.00
2024	3,196.24	3,937.50	614,006.38	34,651.77	655,791.89
2025	83.74	631.25	571,493.88	3,514.27	575,723.14
2026	-566.26	4,287.50	456.38	-2,285.73	1,891.89
2027	2,708.74	4,275.00	-2,034.24	2,451.78	7,401.28
2028	333.74	893.75	-1,862.36	2,714.28	2,079.41
2029	3,949.37	2,675.00	-1,524.86	2,976.77	8,076.28
2030		4,075.00	3,993.89	3,251.77	11,320.66
2031		200.00	-168.61	-1,354.47	-1,323.08
2032		7,912.50	2,787.64	2,486.15	13,186.29
2033			-115.48	5,936.14	5,820.66
2034			4,034.52	5,623.64	9,658.16
2035			684.51	-963.85	-279.34
2036			3,290.76	964.27	4,255.03
2037			3,781.40	7,517.40	11,298.80
2038			6,900.15	1,149.64	8,049.79
2039			3,759.07	-875.71	2,883.36
	624,288.12	1,309,551.46	4,184,548.06	557,310.97	6,675,698.61

(*) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

HSC 34177.5(a) Compliance (Accelerated Savings)

34177.5 (a)(1) For the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that:

(A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded

Prior Bonds Total Principal and Interest	\$69,212,626
Less: Refunding Bonds Total Principal and Interest	(\$58,786,980)
Gross Savings	\$10,425,646
Less: Prior Issue Reserve Fund Adjustment	(\$2,926,790)
Total Net Savings	\$7,498,856

(B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance

The refunding is only providing sufficient funds to defease the refunding bonds, pay related costs of issuance (including purchasing bond insurance and purchasing a surety for the reserve fund)

Tentative Financing Schedule

Date	Item
Wednesday, March 14, 2018	Successor Agency Reviews Documentation (Moves Item to Oversight Board)
Monday March 14, 2018	Oversight Board Reviews Documentation (Moves Item to DoF)
April 2018	Fiscal Consultant's Report Preliminary Official Statement
Wednesday, May 9, 2018	Successor Agency Meeting (Approve POS)
May 2018	DoF Approval Deadline Rating Released Bond Insurance Commitment
June 2018	Print and Post POS Price Bonds Execute Final Documents
July 2018	Pre-Closing Closing and Transfer of Funds

Financing Team

- Agency Staff: Bob Wilson, Executive Director
Tim Przybyla, Treasurer
J. Brent Richardson, Agency Counsel
- Bond/Disclosure Counsel: Jones Hall
- Underwriter: Brandis Tallman LLC
- Municipal Advisor: Del Rio Advisors, LLC
- Trustee / Escrow Agent: BNY Mellon Trust Co., N.A.

INDENTURE OF TRUST

Dated as of _____, 2018

by and between the

SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Relating to

\$ _____
**Successor Agency to the Former Madera Redevelopment Agency
Tax Allocation Refunding Bonds Series 2018A**

and

\$ _____
**Successor Agency to the Former Madera Redevelopment Agency
Tax Allocation Refunding Bonds Series 2018B (Federally Taxable)**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I: DETERMINATIONS; DEFINITIONS:	
Section 1.01. Findings and Determinations.	3
Section 1.02. Definitions	3
Section 1.03. Rules of Construction	12
ARTICLE II: AUTHORIZATION AND TERMS:	
Section 2.01. Authorization of 2018 Bonds.....	14
Section 2.02. Terms of 2018 Bonds.	14
Section 2.03. Redemption of 2018 Bonds.	15
Section 2.04. Form of 2018 Bonds.....	18
Section 2.05. Execution of 2018 Bonds.....	18
Section 2.06. Transfer of Bonds.....	19
Section 2.07. Exchange of Bonds.	19
Section 2.08. Registration of Bonds.	19
Section 2.09. Temporary Bonds.....	19
Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.	20
Section 2.11. Book-Entry System.....	20
ARTICLE III DEPOSIT AND APPLICATION OF PROCEEDS OF 2018 BONDS	
Section 3.01. Issuance of 2018 Bonds.	23
Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.....	23
Section 3.03. Bond Proceeds Fund; Costs of Issuance Account.....	23
Section 3.04. Refunded Bonds Refunding Funds.	23
ARTICLE IV: SECURITY OF BONDS; FLOW OF FUNDS:	
Section 4.01. Security of Bonds; Equal Security.....	24
Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.....	24
Section 4.03. Deposit of Amounts by Trustee.....	25
ARTICLE V: OTHER COVENANTS OF THE SUCCESSOR AGENCY:	
Section 5.01. Punctual Payment.	27
Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.	27
Section 5.03. Extension of Payment.....	27
Section 5.04. Payment of Claims.	27
Section 5.05. Books and Accounts; Financial Statements.	27
Section 5.06. Protection of Security and Rights of Owners.	28
Section 5.07. Payments of Taxes and Other Charges.	28
Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.	28
Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues.	29
Section 5.10. No Arbitrage.....	29
Section 5.11. Private Activity Bond Limitation.....	29
Section 5.12. Federal Guarantee Prohibition.....	29
Section 5.13. Rebate Requirement.	29
Section 5.14. Maintenance of Tax-Exemption.	29
Section 5.15. Continuing Disclosure.....	30
Section 5.16. Further Assurances.	30

Section 5.17.	Provisions Relating to the 2018 Insurance Policy and the 2018 Reserve Policy.....	30
---------------	---	----

ARTICLE VI:
THE TRUSTEE:

Section 6.01.	Duties, Immunities and Liabilities of Trustee.	31
Section 6.02.	Merger or Consolidation.	32
Section 6.03.	Liability of Trustee.	32
Section 6.04.	Right to Rely on Documents and Opinions.....	35
Section 6.05.	Preservation and Inspection of Documents.....	35
Section 6.06.	Compensation and Indemnification.....	35
Section 6.07.	Deposit and Investment of Moneys in Funds.....	36
Section 6.08.	Accounting Records and Financial Statements.....	37
Section 6.09.	Appointment of Co-Trustee or Agent.....	37
Section 6.10.	Other Transactions with Successor Agency.....	38

ARTICLE VII:
MODIFICATION OR AMENDMENT OF THIS INDENTURE:

Section 7.01.	Amendment With And Without Consent of Owners	39
Section 7.02.	Effect of Supplemental Indenture.....	39
Section 7.03.	Endorsement or Replacement of Bonds After Amendment.....	40
Section 7.04.	Amendment by Mutual Consent.....	40
Section 7.05.	Trustee's Reliance.....	40

ARTICLE VIII:
EVENTS OF DEFAULT AND REMEDIES OF OWNERS:

Section 8.01.	Events of Default and Acceleration of Maturities.	41
Section 8.02.	Application of Funds Upon Acceleration or Event of Default.....	42
Section 8.03.	Power of Trustee to Control Proceedings.....	43
Section 8.04.	Limitation on Owner's Right to Sue.....	43
Section 8.05.	Non-Waiver.....	43
Section 8.06.	Actions by Trustee as Attorney-in-Fact.	44
Section 8.07.	Remedies Not Exclusive.....	44

ARTICLE IX:
MISCELLANEOUS:

Section 9.01.	Benefits Limited to Parties.	45
Section 9.02.	Successor is Deemed Included in All References to Predecessor.....	45
Section 9.03.	Defeasance of Bonds.	45
Section 9.04.	Execution of Documents and Proof of Ownership by Owners.....	46
Section 9.05.	Disqualified Bonds.....	46
Section 9.06.	Waiver of Personal Liability.....	46
Section 9.07.	Destruction of Cancelled Bonds.....	47
Section 9.08.	Notices.....	47
Section 9.09.	Partial Invalidity.....	47
Section 9.10.	Unclaimed Moneys.....	47
Section 9.11.	Execution in Counterparts.	48
Section 9.12.	Governing Law.....	48

EXHIBIT A	FORM OF 2018 BOND.....	A-1
EXHIBIT B	DEBT SERVICE PAYMENT SCHEDULE.....	B-1

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____, 2018, by and between the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, a Redevelopment Plan (as defined herein) for the Downtown Madera Redevelopment Project in the City of Madera, California, was adopted in compliance with all requirements of the Community Redevelopment Law;

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency has accepted the duties of the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, for the purpose of financing and refinancing redevelopment activities of the Former Agency, the Former Agency issued the following outstanding series of bonds (the "Refunded Bonds"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("1998 Bonds")

(ii) \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("2003 Bonds"); and

(iii) \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A and \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("2008 Bonds");

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act"), and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of certain of the authority, rights, powers, duties and obligations of the Former Agency;

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

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law and the Refunding Law of its Successor Agency to the former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A (the "Series 2018A Bonds") and Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "2018 Bonds") to provide funds to refund all of the outstanding Refunded Bonds;

WHEREAS, in order to provide for the authentication and delivery of the 2018 Bonds, to establish and declare the terms and conditions upon which the 2018 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the 2018 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 2018 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 2018 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 2018 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 2018 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2018 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 2018 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.

"Bond" or "Bonds" means the 2018 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

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

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

"Bond Year" means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2018.

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

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

"Closing Date" means, with respect to the 2018 Bonds, the date on which the 2018 Bonds are delivered by the Trustee to the original purchaser thereof.

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

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

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

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

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

"County" means the County of Madera, a county duly organized and existing under the Constitution and laws of the State.

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

"Defeasance Obligations" means (i) cash and (ii) Federal Securities.

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

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

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

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

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

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government

Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

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

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

"Former Agency" means the former Madera Redevelopment Agency, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

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

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

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

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

- (a) is judged by the Successor Agency to have experience in matters relating to the issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;
- (b) is in fact independent and not under domination of the Successor Agency;

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

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

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

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

"Interest Payment Date" means September 1 and March 1 of each year, commencing March 1, 2019, so long as any of the Bonds remain Outstanding hereunder.

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

"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).

"1998 Bonds" means the \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds.

"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 for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

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

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

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

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

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash (fully insured by the Federal Deposit Insurance Corporation);
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
 - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;

(h) deposits (including bank deposit products, time deposits, trust funds, trust accounts, interest bearing money market accounts, overnight bank deposits, interest bearing deposits, certificates of deposit (including those placed by a third party pursuant to an agreement between the Successor Agency and the Trustee)) the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks (including the Trustee or any of its affiliates) which have capital and surplus of at least \$15 million;

(i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

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

(k) "State Obligations", which means:

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

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

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

(l) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

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

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

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

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

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

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

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

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

"Principal Corporate Trust Office" means the principal corporate trust office of the Trustee located in San Francisco, California, or such other office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture; *provided, however*, that for purposes of the transfer, registration, exchange, payment and surrender of Bonds, the term "Principal Corporate Trust Office" means the corporate trust office of the Trustee at which it conducts its corporate agency business.

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

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

"Record Date" means, with respect to any Interest Payment Date, the close of business on the 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(e).

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

"Redevelopment Plan" means the Redevelopment Plan for the Original Project Area established by Ordinance No. 565 C.S. adopted on December 17, 1990, as amended by (i) Ordinance No. 629 C.S., adopted by the City Council on November 16, 1994 (ii) Ordinance No. 654 C.S., adopted by the City Council on April 3, 1996 (iii) Ordinance No. 700 C.S., adopted by the City Council on June 16, 1999, (iv) Ordinance No. 833 C.S., adopted by the City Council on March 19, 2008, and (v) Ordinance No. 836 C.S., adopted by the City Council on May 21, 2008, together with any other amendments thereof heretofore or hereafter duly authorized pursuant to the Community Redevelopment Law.

"Redevelopment Property Tax Trust Fund" means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the City of Madera.

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

"Refunded Bonds" means the 1998 Bonds, 2003 Bonds and the 2008 Bonds.

"Refunded Bonds Refunding Fund" means the fund by that name established in Section 3.04 hereof.

"Refunded Bonds Refunding Instructions" means those Irrevocable Refunding Instructions dated the date of issuance and delivery of the 2018 Bonds relating to the defeasance and refunding of the Refunded Bonds, executed by the Successor Agency and delivered to the Refunded Bonds Trustee.

"Refunded Bonds Trustee" means The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the 1998 Bonds and as trustee of the 2003 Bonds and 2008 Bonds.

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

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

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

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

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

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

"Reserve Requirement" means, with respect to the 2018 Bonds, the lesser of (i) 10% of the original aggregate principal amount of the 2018 Bonds (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average annual debt service with respect to the 2018 Bonds or (iii) maximum annual debt service with respect to the 2018 Bonds. The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2018 Bonds by depositing the 2018 Reserve Policy in the Reserve Account.

"S&P" means Standard & Poor's Ratings Services and its successors.

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

"Serial Bonds" means all Bonds other than Term Bonds.

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

"State" means the State of California.

"Subordinate Debt" means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds and payable on the same dates as the Bonds.

"Successor Agency" means the Successor Agency to the former Madera Redevelopment Agency, a public entity duly organized and existing under the Law.

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

"Tax Revenues" means, for each Fiscal Year, all moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5 and 33607.7 of the Law and Section 34183(a)(1) of the Dissolution Act, except to the extent such amounts are payable on a

basis subordinate to the payment of annual debt service on the 2018 Bonds or any Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act.

"Term Bonds" means (i) the [2018A Bonds] maturing on September 1, _____, September 1, _____ and September 1, _____ and (ii) any Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 7.01(e) and payable from amounts in the Sinking Account established pursuant to Section 4.03(c).

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"2003 Bonds" means \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds.

"2008A Bonds" means the \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A.

"2008B Bonds" means the \$4,000,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008B.

"2008 Bonds" means the 2008A Bonds and 2008B Bonds.

"2018A Bonds" means the Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A.

"2018B Bonds" means the Successor Agency to the Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable).

"2018 Bonds" means the Series 2018A Bonds and Series 2018B Bonds.

"2018 [Reserve Policy Agreement]" means the [Reserve Policy Agreement] relating to the 2018 Reserve Policy between the City and the 2018 Insurer.

"2018 Insurer" means _____, or any successor thereto or assignee thereof, as issuer of the 2018 Policy and 2018 Reserve Policy.

"2018 Policy" means the _____ [bond insurance policy] relating to the 2018 Bonds issued by the 2018 Insurer.

"2018 Reserve Policy" means the Debt Service Reserve Surety Bond relating to the 2018 Bonds issued by the 2018 Insurer.

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

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture,

and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of 2018 Bonds. The 2018A Bonds in the aggregate principal amount of _____ Million _____ Hundred and _____ Thousand Dollars (\$_____) and 2018B Bonds in the aggregate principal amount of _____ Million _____ Hundred and _____ Thousand Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2018 Bonds, issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds, including the 2018 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2018 Bonds shall be as two series designated the "Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A" and "Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable)".

Section 2.02. Terms of 2018 Bonds. The 2018 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The 2018 Bonds shall mature on September 1 and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Series 2018A Bonds

Maturity Date
September 1

Principal
Amount

Interest Rate
Per Annum

* Term Bond with September 1 sinking fund payments.

Series 2018B Bonds

Maturity Date
September 1

Principal
Amount

Interest Rate
Per Annum

* Term Bond with September 1 sinking fund payments.

Interest on the 2018 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2018 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2018 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2018 Bonds shall be payable in lawful money of the United States of America.

Each 2018 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a 2018 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of 2018 Bonds.

(a) Optional Redemption. (i) *2018A Bonds Optional Redemption.* The 2018A Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to maturity. The 2018 Bonds maturing on and after September 1, _____, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, _____, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2018 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(ii) *2018B Bonds Optional Redemption.* The 2018B Bonds are not subject to optional redemption prior to maturity.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2018 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 is acceptable to the Trustee).

(b) Mandatory Sinking Fund Redemption. The 2018A Bonds that are Term Bonds shall be subject to mandatory redemption in whole, or in part by lot, on September 1, 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; provided however, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (ii) if some but not all of such 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 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) and shall include a revised sinking fund schedule.

2018A Term Bond Maturing September 1, _____

Date

Sinking Fund Payment

2018A Term Bond Maturing September 1,

Date

Sinking Fund Payment

[add 2018B Term Bonds if applicable]

(c) Notice of Redemption. 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) but not more than forty-five (45) days prior to the redemption date, to (i) to the Owners of any 2018 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Information Services; 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 2018 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that optional 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 2018 Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all 2018 Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such 2018 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 2018 Bonds will not accrue from and after the redemption date.

The Successor Agency may provide notice to owners of the 2018 Bonds that it intends to redeem the 2018 Bonds on an optional basis, but that the redemption is subject to there being sufficient funds for that purpose. The Successor Agency has the right to rescind any notice of the optional redemption of 2018 Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled 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 2018 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee 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 as the original notice of redemption was sent under this Section.

Upon the payment of the redemption price of 2018 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 2018 Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of 2018 Bonds. In the event only a portion of any 2018 Bond is called for redemption, then upon surrender of such 2018 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 2018 Bond or 2018 Bonds of the same interest rate and maturity,

of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2018 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 2018 Bonds so called for redemption shall have been duly deposited with the Trustee, such 2018 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 2018 Bonds or portions thereof are to be selected for redemption by lot within a maturity, 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 2018 Bonds are no longer held in book-entry form. All 2018 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 preceding sub-paragraph (b) or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account or Sinking 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 15 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 September 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 15. In no event shall the Successor Agency purchase any Term Bonds in lieu of redemption without canceling such Term Bonds.

Section 2.04. Form of 2018 Bonds. The 2018 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of 2018 Bonds. The 2018 Bonds shall be executed on behalf of the Successor Agency by the signature of the Executive Director, as the chief administrative officer of the Successor Agency, or the of of Director of Financial Services of the City, as the Finance Director/Treasurer of the Successor Agency, who is in office on the date of execution and delivery of this Indenture or at any time thereafter. Such signature may be made manually or may be affixed by facsimile thereof. The 2018 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2018 Bond ceases to be such officer before delivery of the 2018 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2018 Bonds to the purchaser. Any 2018 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 2018 Bond shall be the proper officers of the Successor Agency although on the date of such 2018 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2018 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 2018 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2018 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2018 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2018 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2018 Bonds authenticated and delivered hereunder.

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

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period 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 a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.07, either (a) any Bonds during the period 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 by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by

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

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

Section 2.11. Book-Entry System.

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

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds,

including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency 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 Bond Owners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

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

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

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2018 BONDS

Section 3.01. Issuance of 2018 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall issue and deliver 2018 Bonds to the Trustee in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2018 Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date the proceeds of sale of the 2018 Bonds shall be paid to the Trustee in the amount of \$_____, which is equal to (i) the purchase price of the 2018A Bonds of \$_____ (being the aggregate principal amount of the 2018A Bonds, plus a net original issue premium in the amount of \$_____, less an underwriter's discount in the amount of \$_____), less the premium for the 2018 Reserve Policy allocable to the 2018A Bonds in the amount of \$_____, which shall be paid directly by the Underwriter to the 2018 Insurer, and (ii) the purchase price of the 2018B Bonds of \$_____ (being the aggregate principal amount of the 2018B Bonds, plus a net original issue premium in the amount of \$_____, less an underwriter's discount in the amount of \$_____), less the premium for the 2018 Reserve Policy allocable to the 2018B Bonds in the amount of \$_____, which shall be paid directly by the Underwriter to the 2018 Insurer. The Trustee shall apply the proceeds described in the previous sentence as follows:

(a) The Trustee shall deposit the amount of \$_____ in the Bond Proceeds Fund and shall immediately transfer such amount to the Costs of Issuance Account.

(b) The Trustee shall deposit the amount of \$_____ in the Bond Proceeds Fund and shall immediately transfer such amount to the Refunded Bonds Refunding Fund.

In addition, the Trustee shall credit the 2018 Reserve Policy to the Reserve Account.

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund", which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account.

The moneys in the Costs of Issuance Account shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is four (4) months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund, and the Trustee shall close the Costs of Issuance Account.

Section 3.04. Refunded Bonds Refunding Fund. There is hereby created the Refunded Bonds Refunding Fund held by the Trustee in trust for the benefit of the Successor Agency. The Trustee shall transfer all moneys on deposit in the Refunded Bonds Refunding Fund to

Refunded Bonds Trustee, for deposit and application under and pursuant to the Refunded Bonds Refunding Instructions. Upon making such transfer, the Refunded Bonds Refunding Fund shall be closed.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the 2018 Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account and the Redemption Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery.

The 2018 Bonds shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys and assets in the Reserve Account established by Section 4.03(d).

The 2018 Bonds and any Parity Debt shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

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

The City hereby transfers, places a charge upon, assigns and sets over to the 2018 Insurer that portion of the Tax Revenues that is necessary in any Fiscal Year to pay the 2018 Insurer any amounts owed to the 2018 Insurer under the 2018 Policy and 2018 [Reserve Policy Agreement]. The pledge described in the preceding sentence shall constitute a charge and lien on the Tax Revenues subject only to the lien granted to the Trustee, for the benefit of the Owners of the Bonds issued hereunder, and the lien granted to the owners of any other Parity Debt.

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

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

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

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

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

(c) Sinking Account. No later than the fifth (5th) Business Day preceding each September 1 on which any Term Bond becomes subject to mandatory sinking account redemption, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on such September 1. No such deposit need be made to the Sinking Account if the amount

contained therein is at least equal to the Sinking Account payments to become due on the next September 1 on all of the Outstanding Bonds. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it shall become due and payable upon redemption or purchase pursuant to Section 2.03(b).

(d) 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 with respect to the 2018 Bonds pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2018 Bonds. The Reserve Requirement for each series of the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Insurer on the Closing Date, which policy shall be proportionately allocated to each series. The provisions governing the administration of the 2018 Reserve Policy are set forth in the 2018 [Reserve Policy Agreement]. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, amounts are not available under the 2018 Reserve Policy.

From time to time, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account the amount required to pay the 2018 Insurer any amounts owed by the Successor Agency to the 2018 Insurer under the 2018 [Reserve Policy Agreement].

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers 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 2018 Bonds then Outstanding.

The Trustee shall comply with the terms of the 2018 Reserve Policy and the 2018 [Reserve Policy Agreement] as shall be required to receive payments thereunder in the event and to the extent required under this subsection (d).

Section 4.04 details the procedures for making claims under the 2018 Reserve Policy.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), other than mandatory Sinking Account redemption of Term Bonds, 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 Bonds to be redeemed on such date pursuant to Section 2.03(a). 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 Bonds to be redeemed pursuant to Section 2.03(a) on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds. Interest due on Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account.

[to come from insurer]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

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

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien under this Indenture. The Successor Agency may issue Parity Debt to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) annual debt service on such Parity Debt, as applicable, is lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, (iv) principal payments shall be on September 1 and interest payments on March 1 and September 1, and (v) prior to the issuance of any Parity Debt, the Successor Agency shall use commercially reasonable efforts, to the extent permitted by law, to subordinate all amounts, if any, payable to a taxing entity pursuant to Section 33607.5 and 33607.7 to the payment of debt service on such Parity Debt. Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt.

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

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

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within one

hundred eighty (180) days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the 2018 Bonds, the 2018 Bonds shall be incontestable by the Successor Agency.

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

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

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

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Bond Year (i) debt service on the Bonds and (ii) all amounts due and owing to the 2018 Insurer hereunder, so as to enable the Madera County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended, as well as all amounts due and owing to the 2018 Insurer hereunder.

(c) 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 2018 Insurer hereunder on a timely basis, the Successor Agency shall, for so long as any Bonds are outstanding, the Successor Agency shall submit an Recognized Obligation Payment Schedule meeting the requirements of the Dissolution Act to the State Department of Finance and to the Madera County Auditor-Controller that shall include annual distribution to the Successor Agency of an amount sufficient to pay all of the debt service coming due during the period applicable to the respective annual distributions, and an amount sufficient to all amounts due and owing to the 2018 Insurer hereunder.

In addition to the amounts described above, if the amount of Tax Revenues distributed to the Successor Agency is less than the sum of the amounts specified above or required to be paid pursuant to the 2018 Bonds or this Indenture, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule or amendment thereto to the State Department of Finance and to the Madera County Auditor-Controller that shall include the balance due to the Successor Agency or balance of the amount needed to pay the amounts specified above or required to be paid pursuant to the 2018 Bonds or this Indenture, which amount shall be requested to be distributed in full to the Successor Agency at the next opportunity allowed by the Dissolution Act.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2018 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 receipt of (i) not less than the debt service due on September 1 on all Outstanding Bonds prior to September 1 of such Bond Year, and (ii) all of the debt service due on March 1 on all Outstanding Bonds prior to the next succeeding March 1.

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

Section 5.10. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2018A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2018A Bonds would have caused the 2018A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2018A Bonds are not so used as to cause the 2018A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2018A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2018A Bonds.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2018A Bonds from the gross

income of the Owners of the 2018A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2018A Bonds.

Section 5.15. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the 2018 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.15.

Section 5.16. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 5.17. Provisions Relating to the 2018 Insurance Policy and the 2018 Reserve Policy. [[[to come from insurer...]]]

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

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

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

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

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

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

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

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

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and

employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the 2018 Insurer or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

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

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

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

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

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

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

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

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

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

limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

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

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

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

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

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

duties under this Indenture. The Trustee shall have a first lien on the Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel). When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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

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

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall

be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

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

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

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

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

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

trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

(c) to amend 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

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

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

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

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be

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

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

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

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time, which period shall last no longer than one hundred eighty (180) days after the delivery of the written notice of default to the Successor Agency; or

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

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

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

the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

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

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

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, 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, expenses of the Trustee; and

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

Third, to the payment of all amounts due and owing to the 2018 Insurer hereunder.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 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 interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

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

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

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

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

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

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the 2018 Insurer and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the 2018 Insurer and the Owners.

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

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

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

(ii) by irrevocably depositing with the Trustee or an escrow holder, 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 a portion of Outstanding Bonds, including all principal and interest, or;

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

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

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

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

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

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

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

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

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

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

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or

interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

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

If to the Successor Agency: Successor Agency to the Former Madera
Redevelopment Agency
428 East Yosemite Avenue, Madera, CA 93638
Attention: Executive Director

If to the Trustee: The Bank of New York Mellon Trust
Company, N.A.
100 Pine Street, Suite 3200
San Francisco, CA 94111
Attention: Corporate Trust Administration

If to the 2018 Insurer:

Attn:
Policy No. _____

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

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the

interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee (without liability for interest) to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

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

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by the chief administrative officer of the Successor Agency, and attested by the Secretary of the Governing Board, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE FORMER
MADERA REDEVELOPMENT AGENCY**

By: _____
Bob Wilson
Executive Director

ATTEST:

Claudia Mendoza
Recording Secretary

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MADERA
CITY OF MADERA

SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BOND, [SERIES 2018A/2018B]

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
September 1, _____, 2018

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 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 _____, 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 September 1 and March 1 in each year, commencing _____ (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 designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the

aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of _____, 2018, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds or other obligations may also be issued on a parity with the 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 and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Refunded Bonds (as defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Bonds.

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

[[The 2018A Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to maturity. The 2018 Bonds maturing on and after September 1, _____, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, _____, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2018 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.]]

[[The 2018B Bonds are not subject to optional redemption prior to maturity.]]

[The 2018A Bonds that are Term Bonds shall be subject to mandatory redemption in whole, or in part by lot, on September 1 and March 1, 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; provided however, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (ii) if some but not all of such 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 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) and shall include a revised sinking fund schedule.]

2018A Term Bond Maturing September 1, _____

Date

Sinking Fund Payment

2018A Term Bond Maturing September 1,

Date

Sinking Fund Payment

As provided in the Indenture, notice of redemption shall be given by first class mail no less than twenty (20) 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 has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled 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. The Successor Agency and the Trustee 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 as the original notice of redemption was sent under the Indenture.

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 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 premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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

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

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

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

IN WITNESS WHEREOF, the Successor Agency to the former Madera Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief administrative officer and attested by the Secretary of the Governing Board, as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE FORMER
MADERA REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary, Governing Board

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Signatory

[Statement of Insurance to come]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or Tax Regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties	(Cust.)	(Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act	_____
			(State)
COMM PROP --	as community property		

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(FORM OF ASSIGNMENT)

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

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

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

Dated: _____

Signatures Guaranteed:

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

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

EXHIBIT B

DEBT SERVICE PAYMENT SCHEDULE

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
----------------------	------------------	-----------------	-------------------------------

**IRREVOCABLE REFUNDING INSTRUCTIONS
Relating to**

\$7,440,000
Madera Redevelopment Agency
1998 Tax Allocation Redevelopment Project
Bonds

\$19,495,000
Madera Redevelopment Agency
2003 Tax Allocation Refunding and
Redevelopment Project Bonds

\$25,455,000
Madera Redevelopment Agency
Subordinate Tax Allocation Bonds, Series
2008A

\$4,000,000
Madera Redevelopment Agency
Housing Set-Aside Subordinate Tax Allocation
Bonds, Series 2008B

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "**Instructions**") are given by the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the "**Successor Agency**"), as successor agency to the former MADERA REDEVELOPMENT AGENCY (the "**Former Agency**"), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Prior Bonds (the "**Prior Trustee**");

WITNESSETH:

WHEREAS, the Former Agency previously issued the following bonds (the "**Prior Bonds**");

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("**1998 Bonds**") pursuant to a Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998 (together, the "**1998 Resolution**"); the Prior Trustee serves as as fiscal agent for the 1998 Bonds. The 1998 Bonds were issued to finance redevelopment projects, pay costs of issuance and establish a reserve fund;

(ii) its \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("**2003 Bonds**") pursuant to the 1998 Resolution, as amended and supplemented by a Second Supplemental Resolution adopted on October 8, 2003 (collectively with the 1998 Resolution, the "**Prior Resolution**"), which resolution appointed the Prior Trustee as fiscal agent for the 2003 Bonds. The 2003 Bonds were issued to refund bonds issued in 1993, pay costs of issuance and establish a reserve fund;

(iii) its \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A ("**2008A Bonds**") pursuant to an Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "**2008A Indenture**"); and

(iv) its \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("**2008B Bonds**" and together with the 2008A Bonds, the "**2008 Bonds**") pursuant to an Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "**2008B**

Indneture; together with the 2008A Indenture, the "**2008 Indentures**") by and between the Former Agency and the Prior Trustee. The 2008A Bonds were issued to finance redevelopment projects, pay costs of issuance and establish a reserve fund; the 2008B Bonds were issued to finance certain low- and moderate-income housing activities of the Former Agency, pay costs of issuance and establish a reserve fund.

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, *et seq.*) 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 ("**AB 26**"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the 2003 Indentures and related documents to which the Former Agency was a party.

WHEREAS, the Successor Agency has determined that it is in its best financial interests at this time to refund the currently outstanding Prior Bonds.

WHEREAS, in order to provide funds for such purpose (among others), the Successor Agency is issuing its Successor Agency to the Former Madera Redevelopment Agency 2018 Tax Allocation Refunding Bonds, Series 2018A and 2018 Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (together, the "**2018 Bonds**") pursuant to an Indenture of Trust, dated as of _____, 2018 (the "**2018 Indenture**"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**2018 Trustee**"), and applying a portion of the proceeds thereof, together with certain other moneys, to redeem the outstanding [[1998 Bonds and 2003 Bonds on _____, 2018, and to call the 2008A Bonds and 2008B Bonds on September 1, 2018]].

WHEREAS, the Successor Agency wishes to give these Instructions to the Prior Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys and securities to provide for (i) the defeasance, payment and redemption of all of the outstanding 1998 Bonds pursuant to Section _____ of the 1998 Resolution and all of the 2003 Bonds pursuant to Section _____ of the Prior Resolution and (ii) the defeasance, payment and redemption of all of the outstanding 2008 Bonds pursuant to Section _____ of the 2008 Indentures.

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Prior Trustee as follows:

Section 1. Redemption Fund. (a) Pursuant to the Prior Resolution, there has heretofore been established a fund held by the Prior Trustee known as the "Redemption Fund" (the "**Redemption Fund**"), which shall serve as a Redemption Fund for the 1998 Bonds and the 2003 Bonds. All cash and securities deposited in the Redemption Fund pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of the remaining 1998 Bonds and the 2003 Bonds on September 1, 2018, in accordance with the Prior Resolution. The Prior Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Prior Bonds Redemption Fund, and such amounts shall be applied only as provided herein.

(b) Pursuant to Section _____ of the 2008 Indentures, there has heretofore been established a fund held by the Prior Trustee known as the "Special Fund" (the "**Special Fund**"), within which the Prior Trustee shall establish a Refunding Account to serve as a redemption source for the 2008 Bonds. All cash and securities deposited in the Refunding Account pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of the remaining 2008 Bonds on September 1, 2018, in accordance with the 2008 Indentures. The Prior Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Refunding Account, and such amounts shall be applied only as provided herein.

Section 2. Deposit into Redemption Funds; Investment of Amounts.

(a) Concurrently with delivery of the 2018 Bonds, the Successor Agency shall cause to be transferred to the Prior Trustee from the Prior Bonds Refunding Fund established under the 2018 Indenture the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Bonds, which amount the Prior Trustee shall deposit into the Prior Bonds Redemption Fund.

(b) On _____, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 1998 Bonds (\$_____) into the Redemption Fund.

(c) On _____, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2003 Bonds (\$_____) into the Redemption Fund.

(d) On _____, 2018, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2008 Bonds (\$_____) into the Refunding Account.

(e) Amounts on deposit in the Redemption Fund and Refunding Account shall be held uninvested [or...shall be invested as set forth in Exhibit _____].

(e) The Successor Agency hereby confirms that by making the deposits described in this Section 2, it is discharging the 1998 Bonds and 2003 Bonds pursuant to the Prior Resolution and discharging the 2008 Bonds pursuant to the 2008 Indentures.

Section 3. Proceedings for Redemption of Prior Bonds. The Successor Agency hereby irrevocably elects, and directs the Prior Trustee, to redeem, on September 1, 2018, the outstanding Prior Bonds. The Prior Trustee acknowledges that it shall give notice of such redemption in accordance with the Prior Resolution and the 2008 Indentures.

The Prior Trustee is hereby directed to give notice of defeasance of the Prior Bonds in substantially the form of Exhibit A on the date of delivery of the 2018 Bonds.

Section 4. Application of Funds to Redeem Prior Bonds. The Prior Trustee shall redeem the remaining outstanding Prior Bonds on September 1, 2018 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon.

Section 5. Transfer of Remaining Funds. On September 1, 2018, following the payment and redemption of the Prior Bonds as described in Sections 3 and 4, the Prior Trustee shall withdraw any amounts remaining on deposit in the Redemption Fund and Refunding

Account and transfer such amounts to the 2018 Trustee for deposit into the Debt Service Fund established under the 2018 Indenture to be used to pay interest on the 2018 Bonds.

The wire instructions to be used by the Prior Trustee to send any moneys to the 2018 Trustee are set forth below:

Bank: Bank of New York Mellon Trust Company
ABA:
Account Number: _____
Account Name: Madera TARB 2018 Debt Service Fd
Attention: _____

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Prior Trustee and the 2018 Trustee a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds held hereunder to make the payments required by Section 4.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

Dated: _____, 2018

SUCCESSOR AGENCY TO THE FORMER
MADERA REDEVELOPMENT AGENCY

By _____
Bob Wilson
Executive Director

ACCEPTED:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Prior Trustee

By _____
Authorized Officer

EXHIBIT A

FORM OF NOTICE OF DEFEASANCE

\$7,440,000
Madera Redevelopment Agency
1998 Tax Allocation Redevelopment Bonds

Date of Issuance: October 28, 1998

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>*CUSIP</u> <u>No. 556444</u>
[2018	\$860,000.00	4.55%	BK2]
2023	\$860,000.00	4.750%	BL0
2028	\$4,405,000.00	4.950	BM8

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998 (together, the "1998 Resolution"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as fiscal agent for the Bonds ("Fiscal Agent"). As a consequence of the foregoing actions and in accordance with the 1998 Resolution, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

*The Successor Agency and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2018

**The Bank of New York Mellon
Trust Company, N.A.,
as Fiscal Agent**

\$19,495,000
Madera Redevelopment Agency
2003 Tax Allocation Refunding and Redevelopment Project Bonds

Date of Issuance: October 30, 2003

<u>Maturity Date</u>	<u>Initial Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
2019	\$690,000.00	5.000%	
2020	720,000.00	4.625	
2021	760,000.00	4.750	
2022	790,000.00	4.750	
2028	2,290,000.00	4.750	
2033	7,440,000.00	5.000	

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Resolution of the Former Agency adopted on June 14, 1993, as amended and supplemented by a First Supplemental Resolution adopted on October 7, 1998, and as amended and supplemented by a Second Supplemental Resolution adopted on October 8, 2003 (collectively the "2003 Resolution"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as fiscal agent for the Bonds ("Fiscal Agent"). As a consequence of the foregoing actions and in accordance with the 2003 Resolution, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

*The Successor Agency and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2018

**The Bank of New York Mellon
Trust Company, N.A.,
as Fiscal Agent**

\$25,455,000
Madera Redevelopment Agency
Subordinate Tax Allocation Bonds, Series
2008A

\$4,000,000
Madera Redevelopment Agency
Subordinate Tax Allocation Bonds, Series
2008B

Date of Issuance: September 10, 2008

Series 2008A Bonds

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>*CUSIP</u> <u>No.</u>
2020	\$1,355,000.00	4.500%	556444CU9
2023	1,565,000.00	5.000	556444CX3
2024	575,000.00	5.000	556444CY1
2025	605,000.00	5.000	556444CZ8
2030	3,550,000.00	5.250	556444DE4
2038	14,610,000.00	5.375	556444DN4

Series 2008B Bonds

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>*CUSIP</u> <u>No.</u>
2020	285,000.00	4.500%	556444EA1
2023	330,000.00	4.750	556444ED5
2030	1,000,000.00	5.250	556444EL7
2038	1,705,000.00	5.375	556444EU7

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Former Madera Redevelopment Agency (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of (i) as to the Series 2008A Bonds, the Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "2008A Indenture") (i), and (ii) as to the Series 2008B Bonds, the Indenture of Trust dated as of September 1, 2008, as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 2008 (together, the "2008B Indenture"; and together with the 2008A Indenture, the "2008 Indentures"). Funds for the payment of the Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee for the Bonds ("Trustee"). As a consequence of the foregoing actions and in accordance with the Indenture, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

*The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2018

**The Bank of New York Mellon
Trust Company, N.A.,
as Fiscal Agent**