



City of Woodland

Meeting Agenda

Oversight Board

City Hall
300 First Street
Woodland, CA 95695

Wednesday, June 20, 2018

8:30 AM

Council Chambers

Please Note: The numerical order of items on this agenda is for the convenience of reference; items may be taken out of order. No new items shall begin after 10:30 pm unless unanimous consent exists to continue.

A. Call to Order

B. Roll Call

C. Pledge of Allegiance

D. Communications - Public Comment

E. Communications - Oversight Board/Staff Statements

F. Reports

1. Successor Agency to the Woodland Redevelopment Agency Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond
Staff recommends the Oversight Board approve Resolution No. _____, approving the Issuance of a Refunding Bond by the Successor Agency.
2. Approve Amendment to Cal HFA HELP Loan
Staff recommends that the Board approve Resolution No. _____ approving an amendment to CalHFA Loan No. HELP-082506-08, directing staff to make necessary adjustments to the Recognized Obligation Payment Schedule, and submit the amendment to the California Department of Finance for review.
3. Oddfellows Loan Status Update
Staff will provide the Board with an update on the status of an outstanding Successor Agency loan to the owner of the Oddfellows Building, located at 725 Main Street.
4. Update on Oversight Board Consolidation Process
Staff will provide the Board with an update on the status and next steps for the countywide consolidation of Oversight Boards.

G. Adjourn



TO: THE OVERSIGHT BOARD
DATE: June 20, 2018
ITEM #: 1.
SUBJECT: Successor Agency to the Woodland Redevelopment Agency
Woodland Redevelopment Project 2018 Tax Allocation
Refunding Bond

Recommendation for Action:

Staff recommends the Oversight Board approve Resolution No. _____, approving the Issuance of a Refunding Bond by the Successor Agency.

Staff Contact:

Kimberly McKinney, Finance Officer, (530) 661-5849, kimberly.mckinney@cityofwoodland.org

Fiscal Impact:

Refunding current outstanding bonds is estimated to save a total of \$742,253 or \$46,016 per year from 2019-2033. The savings include all costs of issuing the 2018 Tax Allocation (TA) Bond. In addition to the direct economic benefit of the refunding, the SA will no longer be required to prepare and file Annual Continuing Disclosure to the Electronic Municipal Market Access system saving both time and dollars. In addition, depending on the selected lender, the SA may no longer need to pay the annual costs of a Trustee or Paying Agent.

The 2018 TA Bond will not be an obligation of the City, but rather the Successor Agency (SA). Debt Service on the 2018 TA Bond will be supported by tax increment revenues collected by the County and deposited into the SA's Redevelopment Property Tax Trust Fund ("RPTTF").

The fee of Del Rio Advisors, LLC acting as Municipal Advisor to the City and SA, are contingent upon closing and are currently estimated at \$27,500. The fee for Brandis Tallman LLC, acting as Placement Agent to the SA, is also contingent upon closing and is currently estimated at \$27,500. The fee of Kronick Moskovitz Tiedemann & Girard, acting as Bond Counsel, is also contingent upon closing is currently estimated at \$35,000. The fee for Frasier & Associates, acting as Fiscal Consultant, is not contingent and is estimated at \$17,500, plus expenses.

The savings expected from the proposed bond refunding will free up tax increment revenues to assist the SA with paying other existing debt obligations, which the SA does not currently receive enough revenue to pay.

Background:

On July 31, 2007, the former Redevelopment Agency (RDA), now the Successor Agency to the RDA (SA), issued Tax Allocation Bonds (Prior TA Bonds) in the amount of \$8,975,000 to assist with the financing of various redevelopment projects throughout the City's RDA Project Area.

Debt service on the Prior TA Bonds has been and still is repaid solely with tax increment revenues generated within the former RDA Project Area. The Prior TA Bonds are currently outstanding in the amount of \$6,750,000, with annual principal maturities ranging from December 1, 2018 through December 1, 2034. These principal bond maturities are eligible to be prepaid on December 1, 2018, and on any subsequent interest payment date thereafter, without a prepayment penalty. The Prior TA Bonds have interest rates ranging from 4.375% to 4.875%.

Pursuant to Assembly Bill No. X1 26 (AB 26) and Assembly Bill No. 1484 (AB 1484) (collectively referred to as the Dissolution Act), the SA may cause the refinance or refunding of the Prior TA Bonds for debt service savings by issuing, or causing the issuance of, Tax Allocation Refunding Bonds, Series 2018 (2018 TA Bond) in accordance with the Dissolution Act. Health & Safety Code Section 34177.5 requires that the refunding provide cost savings and meet

certain specific tests. Please see the attached Refunding Plan and Savings Analysis provided by the Municipal Advisor.

Any refunding must be approved by the Successor Agency, Oversight Board (OB) and California Department of Finance (DoF). The Successor Agency approved the refunding in June 2017 and today we are seeking OB approval to move the item to DoF. DoF has five (5) days to reply they will review the refunding and then sixty (60) days to complete their review process. During the DoF review process, the financing team will be seeking term sheets from potential direct placement lenders and will bring the item back to the Successor Agency for final approval.

Discussion:

The proposed 2018 Tax Allocation (TA) Bond will be structured to fully refund the Prior TA Bonds currently outstanding in the amount of \$6.750 million. The 2018 TA Bond are expected to be issued in an estimated amount of \$6.408 million. The amount of the 2018 TA Bond issue is smaller than the \$6.750 million outstanding of the Prior TA Bonds because the Prior TA Bonds have a reserve fund that would have been used to make the final year of payments making the effective final maturity December 1, 2033. The Prior TA Bonds reserve fund will be contributed to the refunding and used to downsize the amount of the 2018 TA Bond issuance and, since direct placement investors do not require a reserve fund, a reserve fund will not be funded as part of issuing the 2018 TA Bonds. The final maturity of the 2018 TA Bonds is estimated to be shortened to December 1, 2033, which is the same effective maturity date of the Prior TA Bonds (net of the prior reserve fund paying the final year of debt service).

Given the short term remaining on these bonds (+/- 15 years), the relatively small amount that remains outstanding, and the demand for SA debt, the Municipal Advisor has recommended a direct placement for this bond issuance. A full public offering of the 2018 TA Bond would incur much greater time and expense to complete the process. While the interest rates can be lower on a public offering, when all the costs involved in a public offering are included, a direct placement currently makes better economic sense.

The SA's issuance of the 2018 TA Bond requires approval of the SA, OB and DoF. The Successor Agency approved the refunding in June 2017 and today we are seeking OB approval to move the item to DoF. DoF has five (5) days to reply they will review the refunding and then sixty (60) days to complete their review process. During the DoF review process, The Financing Team (see listing below) will draft a term sheet to secure interest rate and fee quotes from potential direct placement lenders and this term sheet will be sent to the universe of direct placement lenders, generally commercial banks that purchase similar obligations. The Financing Team will then review the term sheet responses, decide on a lender, negotiate any deal terms and finalize the documents. Depending on the lender, some will allow for the proposed interest rate to be locked during the period until closing. When all refunding documents are in essentially final form, the SA will be given the opportunity to approve them one final time.

Financing Team Members

Kronick Moskovitz Tiedemann & Girard will act in the role of Bond Counsel, Del Rio Advisors, LLC in the role of Municipal Advisor, Fraser & Associates as Fiscal Consultant, and Brandis Tallman LLC as Placement Agent. All the consultants and professionals listed below will be part of the Financing Team that will review the refunding bond transaction:

1. Bond Counsel – Kronick Moskovitz Tiedemann & Girard

a. Bond Counsel is the law firm retained to provide a legal opinion confirming that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation.

b. Bond Counsel also prepares, or reviews and advises, the issuer regarding authorizing resolutions, ordinances, trust indentures, official statements, validation proceedings and litigation.

2. Municipal Advisor – Del Rio Advisors, LLC

- a. The Municipal Advisor is retained to advise and assist the issuer in formulating and/or executing a debt financing plan to accomplish the public purposes chosen by the issuer and advises the issuer on matters pertinent to the debt issue, such as structure, timing, marketing, credit enhancement, fairness of pricing, terms, and credit ratings.
- b. The Municipal Advisor serves the issuer in a "fiduciary capacity", representing the issuer's interests in negotiations with underwriters/placement agents, rating agencies, banks, and other parties.
- c. Municipal Advisor firms are required to register with the Securities and Exchange Commission (SEC) and with the Municipal Securities Rulemaking Board (MSRB), and are regulated by the MSRB.

3. Fiscal Consultant – Fraser & Associates

- a. The Fiscal Consultant prepares a report on the security of the debt issue, based on a review of development in the Project Area and likely tax increment.
- b. The views of the Fiscal Consultant are taken into account by the credit rating agencies, underwriters/placement agents and lenders in the process of marketing the bonds.

4. Placement Agent – Brandis Tallman LLC

- a. The Placement Agent will market the bonds to direct placement lenders, which consist primarily of commercial banks that operate in the municipal market and purchase municipal securities. Any issuance or placement of municipal securities requires a broker-dealer to act as an intermediary. They are seen as having an "arms-length" relationship with the issuer and the ultimate investor.
- b. Placement Agent firms also act as underwriters on public offerings and consist primarily of broker-dealers that are registered with the SEC and regulated by the Financial Industry Regulatory Agency ("FINRA")

Based on market conditions as of June 2018, issuance of the 2018 TA Bond is estimated to result in total net savings of \$742,253, annual cash flow savings of \$46,016 per year from 2019-2033 and net present value (NPV) savings of approximately \$521,871, which equates to 7.73% in NPV savings. Actual savings will be driven by the final interest rate, which in turn is driven by how quickly the DoF approves the financing. The savings include all estimated costs to issue the 2018 TA Bonds.

Generally, NPV savings greater than 3.00% are considered significant. The Government Finance Officers Association, in their best practices white paper titled "Analyzing and Issuing 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 2018 TA Bond, exceeds 3-5%."

Any annual savings would become available after the payment of enforceable obligations as approved on the Recognized Obligation Payment Schedule ("ROPS") and would be distributed among various taxing entities such as the County, school district(s), and the City.

The table below highlights the current estimated savings for the 2018 TA Bond:

Summary of Savings Results for 2018 TA Bond*

Total Debt Service Savings \$742,253
Net Present Value Savings (\$) \$521,871
Net Present Value Savings (% of Par Value Refunded) 7.73%
Avg. Annual Savings (2019-2033) \$46,016

*Projected savings are based on an indicative interest rate from June 2018 and include all estimated costs of issuing the obligation. The rate is subject to change based on market conditions at the time the rate is locked.

The primary goal of the refunding is to generate savings to the various participating taxing entities, including the City. The issuance of the 2018 TA Bond will not move forward unless the minimum savings threshold of 3.0% can be achieved and is subject to final SA authorization.

Conformance with Section 34177.5(a) Requirements

Del Rio Advisors, LLC as Municipal Advisor has reviewed the savings from the refunding and has determined that the refunding will meet the requirements of Section 34177.5(a). The refunding will provide savings to the SA, as estimated above; the total interest cost to maturity on the refunding bonds will be less than the remaining interest cost on the TA Bonds plus the remaining bond principal; and the principal amount of the refunding bonds will not exceed the amount needed to defease the TA Bonds and pay costs of issuance.

At this time, it is not anticipated that other taxing entities will be asked to subordinate their payments to the 2018 TA Bonds. Tax increment revenues are 2.97 times bond payments, and, with such strong coverage, it is unlikely that subordination will be required.

Professional Services Agreements

Del Rio Advisors, LLC, Kronick Moskovitz Tiedemann & Girard and Brandis Tallman LLC will provide professional services to the SA and will be funded through the issuance of the 2018 TA Bond. As is typical in municipal bond financings, with the exception of the costs discussed below, the professional services costs of the financing team members are only paid if the bond deal is successfully completed, or closed. In other words, payment of the costs of issuance is generally made on a contingent basis.

All contingent costs of issuance would be deducted from the proceeds of the new 2018 TA Bonds issue, and would be included as part of the final financing documents submitted to the DOF for review.

There is one exception to the financing team members rendering their services on a contingent basis. That exception is the total professional services fees and expenses of Frasier & Associates in the estimated amount of \$17,500, plus expenses. Due to preparing projections and other pertinent information in the Fiscal Consultant's Report, the fees and expenses of Fraser & Associates, acting as Fiscal Consultant, cannot be contingent on the sale of the 2018 TA Bond. The fee for the Fiscal Consultant can be recovered through the costs of issuance upon successful closing and, should the refinancing not close, this cost can be recovered on a future ROPS.

DOCUMENTS TO BE APPROVED:

1. Indenture between the Successor Agency and U.S. Bank National Association, pursuant to which the Successor Agency will issue the 2018 TA Bond (which will be redesignated as its Woodland Redevelopment Project, 2018 Tax Allocation Refunding Bond); and
2. Escrow Agreement between the City and U.S. Bank National Association, as escrow agent, that provides for the deposit of funds sufficient to retire the Prior TA Bonds (the "Escrow Agreement").

Conclusion:

Staff recommends the Oversight Board approve Resolution No. _____, approving the Issuance of a Refunding Bond by the Successor Agency.

Prepared By: Kimberly McKinney, Finance Officer

ATTACHMENTS:

| Description | Upload Date | Type |
|-------------------------------------|-------------|-----------------|
| Resolution | 6/14/2018 | Resolution |
| Refunding Plan and Savings Analysis | 6/14/2018 | Backup Material |
| Indenture | 6/14/2018 | Backup Material |
| Escrow Agreement | 6/14/2018 | Agreement |

RESOLUTION NO. 18-__ - OB

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE DISSOLVED WOODLAND REDEVELOPMENT AGENCY
APPROVING THE ISSUANCE OF A REFUNDING BOND
BY THE SUCCESSOR AGENCY**

WHEREAS, pursuant to Section 34173 of the California Health and Safety Code (all sections referenced hereafter being to such code), the City of Woodland has become the successor entity (the “Successor Agency”) to the Woodland Redevelopment Agency (the “Former Agency”), which has been dissolved;

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

WHEREAS, prior to its dissolution, the Former Agency, for the purpose of financing and refinancing redevelopment activities, issued its Redevelopment Agency of the City of Woodland, Woodland Redevelopment Project Tax Allocation Bonds, Series 2007A, in the aggregate principal amount of \$7,295,000 (the “Prior Bonds”), of which \$6,750,000 principal amount is currently outstanding;

WHEREAS, the Oversight Board, by its Resolution No. 17-06-OB adopted June 8, 2017, directed the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding;

WHEREAS, pursuant to the foregoing direction, the Board of Directors of the Successor Agency adopted its Resolution No. 17-07-SA, which (i) authorized the issuance and sale of its Woodland Redevelopment Project 2017 Tax Allocation Refunding Bond (the “Bond”) to refund the Prior Bonds, (ii) engaged the services of the necessary financial professionals, and (iii) approved the execution and delivery of the following documents and proposed agreements, which are incorporated herein by reference and have been presented to the Oversight Board for its review and approval:

1. an indenture (the “Indenture”) between the Successor Agency and U.S. Bank National Association, pursuant to which the Successor Agency will issue the Bond (which will be redesignated as its Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond); and
2. an escrow agreement between the City and U.S. Bank National Association, as escrow agent, that provides for the deposit of funds sufficient to retire the Prior Bonds (the “Escrow Agreement”);

WHEREAS, Resolution No. 17-07-SA of the Board of Directors of the Successor Agency (the “Agency Resolution”) has also been presented to the Oversight Board for approval;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency that:

1. Approval of Successor Agency Actions. The Oversight Board hereby approves the following actions of the Successor Agency:

- (a) the issuance of the Bond;
- (b) the sale of the Bond as described in the Agency Resolution;
- (c) the execution and delivery of the Indenture and the Escrow Agreement (collectively, the “Bond Documents”); and
- (d) all other actions of the Successor Agency described in the Agency Resolution.

2. Filing of Documents. The Secretary to the Successor Agency is hereby authorized and directed to file the Agency Resolution and the Bond Documents, together with a certified copy of this Resolution of the Oversight Board, as provided in Sections 34179 (h) and 34180 (j) with the Yolo County Administrative Officer and Auditor Controller and the State Department of Finance.

3. Additional Authorizations. The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary or convenient to expedite the process of review of the refunding transaction by the California Department of Finance.

PASSED, APPROVED, AND ADOPTED on June 20, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Enrique Fernandez, Oversight Board Chair

ATTEST:

Ana B. Gonzalez, Oversight Board Secretary



Successor Agency to the Woodland Redevelopment Agency

Plan of Refunding and Savings Analysis

**Oversight Board Meeting
June 20, 2018**

 DRALLC
Del Rio Advisors, LLC

Prior Bonds

\$8,975,000

**Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project
Tax Allocation Bonds, Series 2007
Dated July 31, 2007**

Amount remaining: \$6,750,000

Final maturity: December 1, 2034

Redemption: Any date on or after 12/1/17 (30-days notice)

Purpose:

- Refunded \$2,060,000 of outstanding 1996 Tax Allocation Bonds
- Financed certain redevelopment activities of the Agency
- Funded a deposit into the Reserve Account
- Paid the costs associated with the issuance and delivery of the Bonds

Refunding Plan and Estimated Refunding Results

- **Financing team will draft a formal term sheet to generate lender interest in purchasing the refunding as a direct placement**
- **Financing team and Successor Agency will determine best bid and notify the lender**
- **Financing team will work with the lender to finalize and document any specific deal terms**
- **Issue a refunding bond in the amount of \$6,408,000 (*)**
- **Issue will only defease prior bonds and fund costs of issuance**
- **Final maturity of refunding is estimated to be December 1, 2033 which is one year shorter than the final maturity of the prior bonds of December 1, 2034**
- **Reserve fund for the prior bonds will be contributed to make the refunding issue size smaller than the amount of prior bonds outstanding**

| Refunding Results (*) | |
|-----------------------|------------------------------|
| Total Savings: | \$742,253 |
| Avg. Annual Savings: | \$46,016/year (2019-2033) |
| NPV Savings \$: | \$521,871 |
| NPV Savings %: | 7.73% (refunded) |

| Yield Comparisons (*) | |
|-----------------------------|----------|
| Prior Bonds Avg. Coupon | 4.805% |
| Refunding Bonds Avg. Coupon | 3.700% |
| Prior Bonds Avg. Life | 9.624yrs |
| Refunding Bonds Avg. Life | 8.148yrs |

(*) Based on an indicative interest rate from June 2018 and includes all estimated costs of issuing the refunding bond

HSC 34177.5(a) Compliance

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: | \$9,871,848.13 |
| Less: Refunding Bonds Total Principal and Interest: | <u>(\$8,339,914.30)</u> |
| Gross Savings: | \$1,531,933.83 |
| Less: Prior Reserve Fund Adjustment | (\$789,680.45) |
| Less: Debt Service Due 12/1/17 | <u>\$0.00</u> |
| Total Net Savings | \$742,253.38 |

- (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**

Per the sources and uses, the refunding is only providing sufficient funds to defease the refunding bonds and pay related costs of issuance. No new reserve fund is required on the refunding.

Subordination

The Successor Agency has the option to request subordination of the pass through payments paid to taxing entities. The table below shows the historical debt service coverage from the Continuing Disclosure Annual Report for Fiscal Year Ended June 30, 2017 as posted on the Electronic Municipal Market Access System (“EMMA”):

Historical Debt Service Coverage (*)

| Fiscal Year | Net Tax Increment Revenue | Series 2007 Bonds Debt Service | Debt Service Coverage |
|-------------|---------------------------|--------------------------------|-----------------------|
| 2010/11 | \$1,024,372 | \$577,203 | 1.77 |
| 2011/12 | 1,142,280 | 577,140 | 1.98 |
| 2012/13 | 1,733,983 | 581,359 | 2.98 |
| 2013/14 | 1,610,940 | 579,603 | 2.78 |
| 2014/15 | 1,663,527 | 577,003 | 2.88 |
| 2015/16 | 1,721,250 | 578,653 | 2.97 |

Source: Yolo County Office of the Auditor-Controller and City of Woodland Finance Department.

Based on the very strong debt service coverage shown above, the Successor Agency will not be requesting subordination of the pass through payments paid to the taxing entities.

(*) The 2016/17 Debt Service Coverage is Expected to Be Reported as a Supplement to the Report for Fiscal Year Ended June 30, 2017

Estimated Sources and Uses of Funds

Sources of Funds

| | |
|---|----------------------------|
| Par Amount of Bonds | 6,408,000.00 |
| Less: (OID) Plus: OIP | - |
| Less: Underwriter's Discount ⁽¹⁾ | - |
| Net Proceeds at Closing | <u>6,408,000.00</u> |
| Prior Issue Reserve Fund | 594,000.00 |
| Other Source of Funds | - |
| Total Other Funds | <u>594,000.00</u> |
| Total Sources of Funds | <u>7,002,000.00</u> |

Uses of Funds

| | |
|---------------------------------------|----------------------------|
| Cost to Payoff Prior Issue | 6,875,336.76 |
| Beginning Escrow Cash Balance | - |
| Reserve Fund ⁽²⁾ | - |
| Reserve Fund Surety ⁽³⁾ | - |
| Costs of Issuance ⁽⁴⁾ | 126,663.24 |
| Bond Insurance Premium ⁽⁵⁾ | - |
| Other Use of Funds | - |
| Total Uses of Funds | <u>7,002,000.00</u> |
| Rounding Adjustment | - |

Assumptions

-
- (1) Not Applicable
 - (2) Not Applicable
 - (3) Not Applicable
 - (4) See Estimated Schedule
 - (5) Not Applicable

Estimated Costs of Issuance

| | |
|------------------------------|-------------------|
| Bond Counsel | 35,000.00 |
| Placement Agent | 27,500.00 |
| Financial Advisor | 27,500.00 |
| Fiscal Consultant | 17,500.00 |
| Lender Counsel | 8,500.00 |
| Escrow Agent / COI Custodian | 3,500.00 |
| Verification Report | 2,000.00 |
| CDIAC | 1,602.00 |
| Miscellaneous | 3,500.00 |
| Rounding Adjustment | 61.24 |
| Total | 126,663.24 |

Estimated Refunding Debt Service

| Tax Year Ending | Principal | Rate | Interest | Annual Debt Service |
|----------------------------|------------------|-------------|---------------------|--------------------------------|
| 12/1/2018 | 366,300 | 3.700 | 46,760.60 | 413,060.60 |
| 12/1/2019 | 307,800 | 3.700 | 220,721.65 | 528,521.65 |
| 12/1/2020 | 319,200 | 3.700 | 209,229.45 | 528,429.45 |
| 12/1/2021 | 331,200 | 3.700 | 197,308.05 | 528,508.05 |
| 12/1/2022 | 343,500 | 3.700 | 184,940.80 | 528,440.80 |
| 12/1/2023 | 356,300 | 3.700 | 172,114.75 | 528,414.75 |
| 12/1/2024 | 369,600 | 3.700 | 158,809.55 | 528,409.55 |
| 12/1/2025 | 383,500 | 3.700 | 145,006.70 | 528,506.70 |
| 12/1/2026 | 397,800 | 3.700 | 130,685.85 | 528,485.85 |
| 12/1/2027 | 412,600 | 3.700 | 115,832.20 | 528,432.20 |
| 12/1/2028 | 428,100 | 3.700 | 100,423.55 | 528,523.55 |
| 12/1/2029 | 444,000 | 3.700 | 84,437.70 | 528,437.70 |
| 12/1/2030 | 460,600 | 3.700 | 67,858.00 | 528,458.00 |
| 12/1/2031 | 477,800 | 3.700 | 50,658.55 | 528,458.55 |
| 12/1/2032 | 495,600 | 3.700 | 32,817.15 | 528,417.15 |
| 12/1/2033 | 514,100 | 3.700 | 14,309.75 | 528,409.75 |
| Totals | 6,408,000 | | 1,931,914.30 | 8,339,914.30 |

Prior Bonds Debt Service and Defeasance Requirements

| Tax Year Ending | Principal | Rate | Interest | Annual Debt Service | 10/22/2018 Called Bonds | 0.00% Call Premium | Debt Service | Defeasance Debt Service |
|-----------------|------------------|-------|---------------------|---------------------|-------------------------|--------------------|-------------------|-------------------------|
| 12/1/2018 | 265,000 | 4.375 | 160,004.38 | 425,004.38 | 265,000 | | 125,336.76 | 6,875,336.76 |
| 12/1/2019 | 280,000 | 4.500 | 308,415.00 | 588,415.00 | 280,000 | - | | |
| 12/1/2020 | 290,000 | 4.600 | 295,815.00 | 585,815.00 | 290,000 | - | | |
| 12/1/2021 | 305,000 | 4.600 | 282,475.00 | 587,475.00 | 305,000 | - | | |
| 12/1/2022 | 320,000 | 4.600 | 268,445.00 | 588,445.00 | 320,000 | - | | |
| 12/1/2023 | 335,000 | 4.625 | 253,725.00 | 588,725.00 | 335,000 | - | | |
| 12/1/2024 | 350,000 | 4.650 | 238,231.25 | 588,231.25 | 350,000 | - | | |
| 12/1/2025 | 370,000 | 4.750 | 221,956.25 | 591,956.25 | 370,000 | - | | |
| 12/1/2026 | 385,000 | 4.750 | 204,381.25 | 589,381.25 | 385,000 | - | | |
| 12/1/2027 | 405,000 | 4.750 | 186,093.75 | 591,093.75 | 405,000 | - | | |
| 12/1/2028 | 425,000 | 4.750 | 166,856.25 | 591,856.25 | 425,000 | - | | |
| 12/1/2029 | 445,000 | 4.750 | 146,668.75 | 591,668.75 | 445,000 | - | | |
| 12/1/2030 | 465,000 | 4.875 | 125,531.25 | 590,531.25 | 465,000 | - | | |
| 12/1/2031 | 490,000 | 4.875 | 102,862.50 | 592,862.50 | 490,000 | - | | |
| 12/1/2032 | 515,000 | 4.875 | 78,975.00 | 593,975.00 | 515,000 | - | | |
| 12/1/2033 | 540,000 | 4.875 | 53,868.75 | 593,868.75 | 540,000 | - | | |
| 12/1/2034 | 565,000 | 4.875 | 27,543.75 | 592,543.75 | 565,000 | - | | |
| Totals | 6,750,000 | | 3,121,848.13 | 9,871,848.13 | 6,750,000 | - | 125,336.76 | 6,875,336.76 |

Net Debt Service Schedule and Savings Calculation

(Cash Flow NPV Basis)

New Issue Reserve Fund - **Prior Issue Reserve Fund** **594,000.00**
Investment Yield - **Investment Yield** **2.00**

| Tax Year Ending | Annual Debt Service | Less: RF Earnings | Net Annual Debt Service | Prior Issue Annual Debt Service | Less: RF Earnings | Less: Contributed Funds | Net | | 3.70058 Present Value |
|--------------------|------------------------|----------------------|-------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------------|----------------------------|--------------------------|
| | | | | | | | Prior Issue Annual Debt Service | Annual (Savings) / Cost | |
| 12/1/2018 | 413,060.60 | - | 413,060.60 | 425,004.38 | (5,940.00) | - | 419,064.38 | (6,003.77) | (5,960.51) |
| 12/1/2019 | 528,521.65 | - | 528,521.65 | 588,415.00 | (11,880.00) | - | 576,535.00 | (48,013.35) | (43,896.98) |
| 12/1/2020 | 528,429.45 | - | 528,429.45 | 585,815.00 | (11,880.00) | - | 573,935.00 | (45,505.55) | (39,896.92) |
| 12/1/2021 | 528,508.05 | - | 528,508.05 | 587,475.00 | (11,880.00) | - | 575,595.00 | (47,086.95) | (39,755.63) |
| 12/1/2022 | 528,440.80 | - | 528,440.80 | 588,445.00 | (11,880.00) | - | 576,565.00 | (48,124.20) | (39,102.73) |
| 12/1/2023 | 528,414.75 | - | 528,414.75 | 588,725.00 | (11,880.00) | - | 576,845.00 | (48,430.25) | (37,836.13) |
| 12/1/2024 | 528,409.55 | - | 528,409.55 | 588,231.25 | (11,880.00) | - | 576,351.25 | (47,941.70) | (35,970.33) |
| 12/1/2025 | 528,506.70 | - | 528,506.70 | 591,956.25 | (11,880.00) | - | 580,076.25 | (51,569.55) | (37,345.10) |
| 12/1/2026 | 528,485.85 | - | 528,485.85 | 589,381.25 | (11,880.00) | - | 577,501.25 | (49,015.40) | (33,989.01) |
| 12/1/2027 | 528,432.20 | - | 528,432.20 | 591,093.75 | (11,880.00) | - | 579,213.75 | (50,781.55) | (33,905.89) |
| 12/1/2028 | 528,523.55 | - | 528,523.55 | 591,856.25 | (11,880.00) | - | 579,976.25 | (51,452.70) | (33,023.63) |
| 12/1/2029 | 528,437.70 | - | 528,437.70 | 591,668.75 | (11,880.00) | - | 579,788.75 | (51,351.05) | (31,643.61) |
| 12/1/2030 | 528,458.00 | - | 528,458.00 | 590,531.25 | (11,880.00) | - | 578,651.25 | (50,193.25) | (29,639.18) |
| 12/1/2031 | 528,458.55 | - | 528,458.55 | 592,862.50 | (11,880.00) | - | 580,982.50 | (52,523.95) | (29,879.62) |
| 12/1/2032 | 528,417.15 | - | 528,417.15 | 593,975.00 | (11,880.00) | - | 582,095.00 | (53,677.85) | (29,358.59) |
| 12/1/2033 | 528,409.75 | - | 528,409.75 | 593,868.75 | (24,876.70) | - | 568,992.05 | (40,582.30) | (20,667.28) |
| 12/1/2034 | - | - | - | 592,543.75 | (592,543.75) | - | - | - | - |
| Totals | 8,339,914.30 | - | 8,339,914.30 | 9,871,848.13 | (789,680.45) | - | 9,082,167.68 | (742,253.38) | (521,871.13) |
| | | | | | | | | Savings % New | 8.14% |
| | | | | | | | | Savings % Prior | 7.73% |

Refunding Steps

- The Successor Agency adopted a resolution approving the issuance of refunding bonds and all related documents moving the item to the Oversight Board for review
- The Oversight Board adopts a resolution approving the issuance of refunding bonds and all related documents
 - Determination of significant potential savings
 - Approve filing of approved Bond Documents and Plan of Refunding and Savings Analysis
 - Yolo County Administrative Officer
 - Yolo County Auditor-Controller
 - State of California Department of Finance
 - Authorize other actions to expedite California Department of Finance review and approval
- The State of California Department of Finance (“DOF”) has five (5) days to respond to receipt of the OB Resolution, bond documents and the Plan of Refunding and Savings Analysis and another sixty (60) days to review and approve the refunding
- During DOF review period, financing team requests formal term sheets from lenders, negotiates terms with successful lender and makes recommendation to the Successor Agency for final approval
- Successor Agency reviews and approves the final transaction
- Transaction closes

Financing Team

- City/Successor Agency Staff
 - Paul Navazio, City Manager / Executive Director
 - Kimberly McKinney, Finance Officer / Treasurer
 - Ana Gonzalez, City Clerk
- Bond Counsel Kronick Moskovitz Tiedemann & Girard
- Placement Agent Brandis Tallman LLC
- Municipal Advisor Del Rio Advisors, LLC
- Fiscal Consultant Fraser & Associates

Refunding Schedule^(*)

| Date | Status | Item |
|-------------------------------|-----------|---|
| May - June 2017 | Completed | 1 st Draft Bond Documents and Resolutions Draft Refunding Plan and Savings Analysis Fiscal Consultant's Report |
| June 20, 2018 | | OB Approval for SA Submittal |
| July - August 2017 | | DoF Review and Approval Term Sheet Sent to Lenders Review Term Sheet Responses and Select Lender |
| September 2018 ^(*) | | Finalize Documents Close Transaction |

* Tentative, Subject to Timing of DoF Approval

INDENTURE

between

U.S. BANK NATIONAL ASSOCIATION

as Trustee

and the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND**

Dated September 1, 2018

relating to the
Successor Agency to the
Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project
2018 Tax Allocation Refunding Bond

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INDENTURE

This INDENTURE, dated September 1, 2018, between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic, duly established and existing under the Constitution and laws of the State of California (the “Agency”), as successor agency to the Redevelopment Agency of the City of Woodland (the “Former Agency”);

W I T N E S S E T H:

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

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

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

WHEREAS, to finance and refinance redevelopment activities within or of benefit to the Project Area, the Former Agency previously issued its Redevelopment Agency of the City of Woodland, Woodland Redevelopment Project Tax Allocation Bonds, Series 2007A (the “Prior Bonds”), in the aggregate principal amount of \$7,295,000 (the “Prior Bonds”);

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

WHEREAS, to provide funds to refinance the Prior Bonds, the Agency has duly authorized the creation, execution, and delivery of its bond of substantially the tenor hereinafter provided designated its “Successor Agency to the Redevelopment Agency of the City of Woodland, Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond” (the “Bond”);

WHEREAS, the Agency has determined that:

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

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

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

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

WHEREAS, the actions of the Oversight Board regarding the issuance of the Bond have been duly reviewed and approved by the California Department of Finance, as stated in a letter from the Department of Finance dated _____, 2018; and

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

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

ARTICLE I DEFINITIONS

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

Agency means the City of Woodland as successor agency to the Former Agency.

Agency Board means the governing board of the Agency.

Annual Debt Service means for each Bond Year, the aggregate amount (without duplication) of principal of (including mandatory sinking fund payments) and interest on the Bond and any Parity Debt to which reference is made becoming due and payable. Interest payments on the

Bond and Parity Debt shall be excluded from the calculation of Annual Debt Service to the extent such interests payments are to be paid from the proceeds of the Bond or any Parity Debt held by the Trustee or other fiduciary as funded (capitalized) or pre-issuance accrued interest specifically to pay such interest.

Bond Register has the meaning stated in Section 2.5 (Bond Register).

Bond Year means the one-year period ending on each December 1, except that the first Bond Year shall begin on the Closing Date and shall end on December 1, 2018.

Bond means the Successor Agency to the Redevelopment Agency of the City of Woodland, Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond issued hereunder.

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

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

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

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

Corporate Trust Office or **corporate trust office** means the corporate trust office of the Trustee at One California Street, Suite 1000, San Francisco, California 94111, Attention: Global Corporate Trust Services, except that with respect to presentation of the Bond for payment or for registration of transfer and exchange or surrender and cancellation such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, or such other address specified by the Trustee from time to time, or such other or additional offices as may be designated by the Trustee.

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

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

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

Defeasance Securities means the following:

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

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

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

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

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

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

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

Escrow Agreement means that certain agreement relating to the Prior Bonds dated September 1, 2018, between the Agency and the Trustee, as escrow agent.

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

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

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

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

Indenture means this indenture, dated September 1, 2018, between the Trustee and the Agency, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions hereof.

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

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

Interest Account means the account by that name established and held by the Trustee pursuant to Section 6.3 (Revenue Fund; Allocation of Moneys).

Interest Payment Date means June 1 and December 1 of each year during the term of the Bond, commencing December 1, 2018.

Letter of Representations means a letter substantially in the form attached hereto as Exhibit B delivered by the Original Purchaser and any subsequent purchaser of the Bond to the Agency.

Moody's means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Agency.

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

Original Purchaser means [PURCHASER], and any other successor or any other entity to whom the rights of the Original Purchaser hereunder are assigned.

Outstanding, means the Bond authenticated and delivered by the Trustee under this Indenture until (1) the Bond is cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) all liability of the Agency with respect thereto shall have been discharged in accordance with Section 5.2 (Discharge of Liability on Bond), including the Bond (or a portion thereof) in the circumstances described in in Section 6.11 (Money Held for the Owner); or (3) another Bond shall have been authenticated and delivered by the Trustee pursuant to this Indenture for transfer or exchange or in lieu of or in substitution of the Bond.

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

Owner means the person in whose name the Bond is registered, which shall be the Original Purchaser so long as the Original Purchaser owns the Bond and thereafter shall include any successor to the Original Purchaser or entity to whom the Bond has been transferred by the Original Purchaser.

Parity Debt means any loans, bonds, notes, advances, or indebtedness payable from Tax Revenues on a parity with the Bond.

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

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

Permitted Investments means any securities in which funds of the Agency may now or hereafter be legally invested as provided by applicable law in effect at the time of such investment, subject to any limitations imposed by the investment policy approved by the governing body of the Agency, but without regard to any limitations contained therein concerning the maximum percentage limitations for any particular investment. Permitted Investments also include (a) money market funds, including funds of the Trustee or any of its affiliates, and (b) investment agreements, including guaranteed investment contracts.

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

Principal Account means the account by that name established and held by the Trustee pursuant to Section 6.3 (Revenue Fund; Allocation of Moneys).

Principal Payment Date means December 1 and June 1 of each year during the term of the Bond, commencing December 1, 2018.

Prior Bonds means the Redevelopment Agency of the City of Woodland, Woodland Redevelopment Project Tax Allocation Bonds, Series 2007A.

Prior Indenture means the Indenture dated July 1, 2007, between the Former Agency and U.S. Bank National Association, as trustee thereunder.

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

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

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

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

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

Redevelopment Plan means the Redevelopment Plan for the Woodland Redevelopment Project approved by Ordinance No. 1129 adopted by the City Council of the City on July 5, 1988, together with any additional amendments thereof at any time duly authorized under the Redevelopment Law.

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

Regular Record Date for payments of principal or interest on any Payment Date means the date specified in Section 2.1 (Terms and Form of the Bond), and as that term may be defined in a Supplemental Indenture for Parity Debt.

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

Revenue Fund means the "Revenue Fund" established and held by the Trustee, which referred to in Section 6.3 (Revenue Fund; Allocation of Moneys).

S&P means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Agency.

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

State means the State of California.

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

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

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

Tax Revenues means all taxes deposited into the Redevelopment Property Tax Trust Fund established pursuant to Health and Safety Code section 34170.5.

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

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

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

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

Section 1.3. Notices, etc., to Agency and Trustee. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Corporate Trust Office. Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box,

addressed to the Agency at 300 First Street, Woodland, California 95695, Attention: Treasurer (or such other address as may have been filed in writing by the Agency with the Trustee).

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

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

Any such certificate or opinion made or given by an officer of the Agency may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an Independent Accountant, or an Independent Financial Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Independent Accountant, or an Independent Financial Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Agency) upon a certificate or opinion of or representation by an officer of the Agency, unless such counsel, Independent Accountant, or an Independent Financial Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Agency, or the same counsel, or Independent Accountant, or an Independent Financial Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, Independent Accountants, or an Independent Financial Consultants may certify to different matters, respectively.

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

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

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

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

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

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

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

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

ARTICLE II TERMS AND ISSUANCE OF THE BOND

Section 2.1. Terms and Form of the Bond.

(A) **Authorization and Title of the Bond.** The Agency hereby authorizes the issuance of a bond in the principal amount of \$[PAR AMOUNT]. The title of the Bond shall be “Successor Agency to the Redevelopment Agency of the City of Woodland, Woodland

Redevelopment Project 2018 Tax Allocation Refunding Bond.” At any time after the execution and delivery of this Indenture, the Agency may execute and the Trustee shall authenticate and deliver the Bond upon the Order of the Agency.

(B) Form of the Bond. The Bond shall be issued in the form of a single, fully-registered installment bond in substantially the form attached hereto as Exhibit A. The Bond shall be registered initially in the name of the Original Purchaser and shall not be delivered in book-entry form.

(C) Date; Interest Accrual; Interest Rate; Payment Dates. The Bond shall be dated its date of delivery, shall bear interest on the unpaid principal amount thereof from its date to December 1, 2033, at the rate of _____% per annum. The Agency shall pay installments of principal and interest on the Bond in the following amounts on the following dates (subject to adjustment in the event of a partial redemption as described below):

| Date | Principal | Interest | Total |
|--------------|------------------|-----------------|--------------|
| 12/1/2018 | | | |
| 6/1/2019 | | | |
| 12/1/2019 | | | |
| 6/1/2020 | | | |
| 12/1/2020 | | | |
| 6/1/2021 | | | |
| 12/1/2021 | | | |
| 6/1/2022 | | | |
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| 12/1/2030 | | | |
| 6/1/2031 | | | |
| 12/1/2031 | | | |
| 6/1/2032 | | | |
| 12/1/2032 | | | |
| 6/1/2033 | | | |
| 12/1/2033 | | | |
| Total | | | |

Interest on the Bond shall be calculated on the basis of a 360-day year comprising twelve 30-day months.

(D) Principal and Interest Payments. The Agency shall pay each principal and interest payment on the Bond in lawful money of the United States of America by wire transfer to the Trustee no later than the fifth (5th) Business Day prior to each Payment Date. The Trustee shall wire transfer said payment to the Owner on each Payment Date, pursuant to wire instructions provided by the Owner. The Regular Record Date for the Bond shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Payment Date. Payments of principal of the Bond shall be made without the requirement for presentation and surrender of the Bond by the Owner, provided that principal of the Bond that is payable at final maturity shall be made only upon presentation and surrender of the Bond at the office of the Trustee. The Trustee shall make an appropriate notation in its records indicating the date and amount of each reduction in the outstanding principal amount of the Bond.

(E) Cessation of Interest Accrual. Interest on any portion of the principal of the Bond shall cease to accrue on the Payment Date of such portion, provided that such portion of the principal plus interest accrued thereon to such date has been paid to the Owner. Upon payment of all the principal and interest installments on the Bond, the Bond shall no longer be Outstanding and entitled to the benefits of this Indenture.

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

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

Except as may be provided in any Supplemental Indenture, the Bond shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture unless there appears on the Bond a certificate of authentication substantially in the form provided for herein, manually executed by the Trustee. Such certificate of authentication when manually executed by the Trustee shall be conclusive evidence, and the only evidence, that the Bond has been duly executed, authenticated, and delivered hereunder.

Section 2.3. Transfer of Bond.

The Owner may transfer the Bond, but only in whole to a proposed transferee that executes a Letter of Representations.

Transfer shall be made upon the books required to be kept pursuant to the provisions of Section 2.5 (Bond Register) hereof, in person or by the duly authorized attorney of such person, upon surrender of the Bond to the Agency for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Agency and the purchaser's duly executed Letter of Representations.

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

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

Section 2.4. Optional Redemption. The Bond is subject to redemption on or after December 1, 20___, at the option of the Agency, from any source of available funds, on any date, as a whole or, with the consent of the Owner, in part, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

Section 2.5. Bond Register. The Trustee will keep or cause to be kept at its Corporate Trust Office a record of the registration and transfer of the Bond. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such record, the Bond as hereinbefore provided.

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

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

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

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

Any interest on the Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the Owner on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee. In the name and at the expense of the Agency, the Trustee shall cause notice of the payment of such defaulted interest and the Special Record Date to be mailed, first-class postage prepaid, to the Owner at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

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

Section 2.8. Person Deemed the Owner. The Agency and the Trustee shall be entitled to treat the person in whose name the Bond is registered as the owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Agency. The ownership of the Bond shall be proved by the Bond Register.

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

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

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

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

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

ARTICLE III APPLICATION OF PROCEEDS

Section 3.1. Application of Proceeds of the Bond. The proceeds of the sale of the Bond shall be deposited with the Trustee and shall be set aside or transferred by the Trustee as follows:

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

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

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

ARTICLE IV REDEMPTION OF BOND

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

Section 4.2. Notice of Redemption.

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

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

Section 4.3. Deposit of Redemption Price. Prior to any redemption date, the Agency shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of the Bond to be redeemed on that date plus interest accrued to the date of redemption. Such money shall be held for the benefit of the person entitled to such Redemption Price. Prior to any date for optional redemption of the Bond, the Agency shall have paid in full all amounts due to each issuer of a Reserve Facility.

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

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

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

ARTICLE V DEFEASANCE

Section 5.1. Discharge of Indenture.

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

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

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

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

(B) Consequence of Payment of Bond. If the Agency pays the Bond and also pays or causes to be paid all other sums payable hereunder by the Agency, then and in that case, at the election of the Agency, evidenced by a Certificate of the Agency filed with the Trustee signifying the intention of the Agency to discharge all such indebtedness and this Indenture, and notwithstanding that the Bond shall not have been surrendered for payment, this Indenture, the pledge of Tax Revenues and other assets made hereunder, all covenants and agreements and other obligations of the Agency under this Indenture, and the rights and interests created hereby (except as to any surviving rights of transfer or exchange of the Bond as provided in Section 2.5 (Bond Register) and rights to payment from moneys deposited with the Trustee as provided in Section 5.2 (Discharge of Liability on Bond)) shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this Indenture, the obligations to the Trustee under Section 11.6 (Compensation and Indemnification of Trustee), and the covenants of the Agency to preserve the exclusion of interest on the Bond from gross income for federal income tax purposes contained in Section 8.6 (Federal Income Tax Covenants) shall survive.

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

(D) Notice of Defeasance. If moneys or Defeasance Securities are deposited with and held by the Trustee as provided in this Article, the Trustee shall within thirty (30) days after such money and Defeasance Securities shall have been deposited with it mail a notice, first class postage prepaid, to the Owner at the address listed on the registration books kept by the Trustee pursuant to Section 2.5 (Bond Register), (a) setting forth the maturity or date fixed for prepayment, as the case may be, of the Bond deemed paid, (b) giving a description of the Defeasance Securities, if any, so held by it, and (c) stating, as applicable, that this Indenture has been discharged and/or all liability of the Agency in respect of the Bond has been discharged, in accordance with the provisions of this Article.

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

Bond) and (ii) the Owner thereof shall retain its rights of transfer or exchange of Bond as provided in Section 2.5 (Bond Register).

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

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

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

provided, in each case, (a) that the Agency shall have delivered to the Trustee a report of an Independent Accountant (upon which report the Trustee may conclusively rely) verifying that the cash and/or Defeasance Securities deposited are in the required amounts and (b) that the Trustee shall have been irrevocably instructed (by the terms of this indenture or by Request of the Agency) to apply such money to the payment of such principal or Redemption Price of and interest on the Bond.

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

Section 5.5. Notice of Defeasance. If Bond is to be paid and discharged pursuant to Section 5.1(A)(2), the Trustee shall within thirty (30) days after the money or Defeasance Securities have been deposited with it mail a notice, first class postage prepaid, to the Owner at the address listed on the registration books kept by the Trustee pursuant to Section 2.5 (Bond Register) hereof, (a) setting forth the maturity date or date fixed for redemption, as the case may be, of the Bond, (b) giving a description of the Defeasance Securities, if any, held by it, and (c) stating that this Indenture has been released in accordance with the provisions of this Section.

ARTICLE VI
PLEDGE OF TAX REVENUES; ESTABLISHMENT AND APPLICATION OF FUNDS

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

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

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

Section 6.2. Deposit and Transfer of Tax Revenues. Pursuant to Health & Safety Code section 34170.5(a), the Agency has established a fund known as the “Redevelopment Obligation Retirement Fund,” into which the Yolo County Auditor-Controller is required to periodically deposit Tax Revenues in the amounts specified in the Recognized Obligation Payment Schedules. So long as the Bond is Outstanding, no later than the fifth (5th) Business Day preceding each Payment Date, the Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit into the Revenue Fund the amounts required by the Trustee to make the transfers required by Section 6.3 (Revenue Fund; Allocation of Moneys) on or before such Payment Date. If, in the January 2 distribution of property taxes, the Agency receives the full amount of Annual Debt Service on the Bond and Parity Debt for the then-current Bond Year, the Agency shall transfer the full amount to the Trustee no later than the fifth (5th) Business Day preceding the next June 1 Payment Date.

Section 6.3. Revenue Fund; Allocation of Moneys.

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

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

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

(2) Principal Account. On or before each Principal Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Principal Account an amount that, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bond on such Principal Payment Date. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on such Principal Payment Date. The Trustee shall also deposit in the Principal Account any other amounts received by it from the Agency designated by the Agency in writing for deposit in the Principal Account.

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

Section 6.4. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bond as it shall become due and payable (including accrued interest on the Bond if purchased or redeemed prior to maturity pursuant to this Indenture).

Section 6.5. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bond when due and payable.

Section 6.6. Investment of Moneys in Funds and Accounts.

(A) Investment in Permitted Investments. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested solely as

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

(B) Maturity of Investments. Moneys in the funds and accounts established hereunder shall be invested in Permitted Investments maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

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

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

(E) Investment Recordkeeping.

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

(2) Information to Establish Purchase and Disposition of Investments at Fair Market Value. The Trustee shall also provide to the Agency, in accordance with a Request of the Agency, with respect to each purchase or sale of a Permitted Investment made by it such documentation as is reasonably available to the Trustee and is required by the Tax Code or other applicable law to be obtained by the Agency as evidence to establish that all investments have been acquired and disposed of on an established market in arm's-length transactions at a price equal to their fair market value and with no amounts have been paid to reduce the yield on the investments.

Section 6.7. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund or an account and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the protection of the security of the Bond and the rights of the Owner thereof.

Section 6.8. Money Held for the Owner. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to the Bond (or a portion of the Bond if redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it for the Owner of the Bond entitled thereto, subject, however, to the provisions of Section 5.4 (Earnings on Moneys Unclaimed After Payment of the Bond).

ARTICLE VII ISSUANCE OF REFUNDING OBLIGATIONS AND PARITY DEBT

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

to this Section 7.1 (Refunding Obligations) to refund Parity Bonds may be issued on a parity with the Bond.

Section 7.2. Parity Debt. If California law is revised so as to permit the Agency to issue additional debt payable from Tax Revenues, the Agency may issue such additional indebtedness as Parity Debt, but only with the prior written consent of the Owner and upon such conditions as the Owner may specify.

ARTICLE VIII GENERAL BOND COVENANTS OF THE AGENCY

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

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

Section 8.3. Extension of Time for Payment of the Bond. The Agency will not directly or indirectly extend or assent to the extension of the maturity of the Bond or the time of payment of any or claims for interest by the purchase or funding of the Bond or claims for interest or by any other arrangement. In case the maturity of the Bond or the time of payment of any such claims for interest shall be extended, the Bond or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of the Bond and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Agency to issue bonds for the purpose of refunding the Bond, and such issuance shall not be deemed to constitute an extension of maturity of the Bond.

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

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

Section 8.6. Federal Income Tax Covenants.

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

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

Section 8.7. Books and Accounts; Financial Statements.

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

(B) Financial Statements. The Agency will cause to be prepared and filed with the Trustee annually, within two hundred ten (210) days after the close of each Fiscal Year complete financial statements with respect to such Fiscal Year showing the Tax Revenues, as of the end of such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an Independent Accountant relating thereto. The Agency will furnish a copy of such statements to the Owner upon reasonable written request, at the expense of the Owner. The Trustee shall have no duty to review such financial statements.

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

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

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

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

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

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

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

Section 9.6. ROPS Filing Requirements. The Agency shall take all actions required under the Dissolution Law to prepare and file the Recognized Obligation Payment Schedule (“ROPS”) for each Fiscal Year so as to enable the Yolo County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit into the Redevelopment Obligation Retirement Fund all amounts required to enable the Agency to pay timely (i) debt service on the Bond and any Parity Obligations in such Fiscal Year, (ii) any amounts due and owing to any credit

provider for its obligations, and (iii) any amounts required to replenish any debt service reserve fund for any of its obligations.

Without limiting the generality of the foregoing covenant, the Agency shall take all actions required under the Dissolution Law to file a ROPS by February 1 in each year, commencing February 1, 2019, in accordance with Health and Safety Code section 34177(o). Each such ROPS shall request the payment to the Agency of an amount of Tax Revenues that is at least equal to the following:

(a) 100% of the amount of principal of and interest on the Bond and any Parity Obligations coming due and payable in the ROPS period covered by the Schedule (whether annual or semiannual);

(b) any amount then required to replenish the amount in any debt service reserve fund established for any Parity Obligations; and

(c) any amount then required to make payments due to any credit provider for any Parity Obligations.

The Agency shall place on the annual ROPS for approval by the Oversight Board and the California Department of Finance an amount to be held by the Agency as a reserve for the timely payment of debt service on the Bond and any Parity Obligations coming due in the Fiscal Year succeeding the ROPS period covered by the Schedule.

In order to implement the foregoing, when preparing its Recognized Obligation Payment Schedule for an upcoming Fiscal Year, the Agency will perform an analysis to determine whether, for the Fiscal Year succeeding the Fiscal Year covered by the Schedule being prepared, there is a projected shortfall in property taxes to be allocated for the A ROPS period in such succeeding Fiscal Year (the June 1 disbursement), and, if so, the Agency will include the reserve amount described in the preceding paragraph for the projected shortfall on the upcoming Fiscal Year B ROPS schedule (for disbursement on January 2 of the upcoming Fiscal Year).

In addition, the Agency will perform a follow-up analysis prior to October 1 each Fiscal Year to determine whether there is a projected shortfall in property taxes to be allocated for the next A ROPS period (June 1 disbursement) for the next Fiscal Year, and, if so, the Agency will amend the ROPS to include the reserve amount described above for the projected shortfall on the B ROPS schedule (for January 2 disbursement) in the current Fiscal Year.

The Agency further agrees (a) to the extent permitted by law, to amend any ROPS filing for any period during which amounts owed to the Insurer either with respect to any credit provider for any Parity Obligations are not included on such ROPS filing and (b) not to submit a Last and Final ROPS under the Dissolution Law without the prior written consent of any credit provider for any Parity Obligations unless all amounts that could become due to such credit provider are included as a line item on the Last and Final ROPS.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES OF THE OWNER

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

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

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

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

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

(E) Reorganization or Insolvency: if the Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property.

Section 10.2. Acceleration of Maturities.

(A) Declaration by Trustee. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may or, upon the receipt of written instructions from the Owner, shall, upon notice in writing to the Agency, (a) declare the unpaid principal of the Bond, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bond contained to the contrary notwithstanding; and (b) subject to the provisions of Section 10.4 (Trustee to Represent the Owner), exercise any other remedies available to the Trustee and the Owner in law or at equity. Upon the occurrence of an

Event of Default all Tax Revenues under this Indenture shall be immediately deposited with the Trustee.

(B) Notice of Acceleration. Immediately upon obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Agency and the Owner by telephone, telecopier or other communication device, promptly confirmed in writing. Such notice shall also state whether the principal of the Bond shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (A), (B), (C), (D), or (F) above the Trustee shall, and with respect to any Event of Default described in clause (E) above the Trustee in its sole discretion may, also give such notice to the Owner in the same manner as provided herein for notices of redemption of the Bond, which shall include the statement that interest on the Bond shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bond 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 Bond is actually paid on such date).

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

Section 10.3. Application of Money Collected. If an Event of Default shall occur and be continuing, the Trustee shall apply all funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (except as otherwise provided in this Indenture) as follows and in the following order: To the payment of the costs and expenses of the Trustee and the Owner in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Indenture;

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

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

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

Section 10.4. Trustee to Represent the Owner. The Trustee is hereby irrevocably appointed (and the Owner, by taking and holding the Bond, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owner for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owner under the provisions of the Bond, this Indenture and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owner, the Trustee in its discretion may, and upon the written request of the Owner and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owner by such appropriate action, suit, mandamus, or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in the Owner under this Indenture or any law.

Section 10.5. Trustee May Enforce Claims without Possession of the Bond. All rights of action under this Indenture or the Bond or otherwise may be prosecuted and enforced by the Trustee without the possession of the Bond or the production thereof in any proceeding relating thereto, and any such suit, action, or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owner, subject to the provisions of this Indenture (including Section 10.6 (Limitation on Suits)).

Section 10.6. Limitation on Suits. The Owner shall not have the right to institute any suit, action, or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture or any applicable law with respect to the Bond, unless (1) the Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owner shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name ; (3) the Owner shall have tendered to the

Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by the Owner of any remedy hereunder or under law; its being understood and intended that the Owner shall not have any right in any manner whatever by his action to affect, disturb or prejudice the security of this Indenture or to enforce any right under this Indenture or applicable law with respect to the Bond, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of the Owner, subject to the provisions of this Indenture.

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

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

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

ARTICLE XI THE TRUSTEE

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

Section 11.2. Certain Duties and Responsibilities.

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

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

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

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

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

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

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

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owner relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture;

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

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

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

(E) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Owner will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Owner as if there were no Policy.

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

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

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

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

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

(E) Security or Indemnity: the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of the Owner pursuant to the provisions of this Indenture, including, without limitation, the provisions of Article 10 (Events of Default and Remedies of the Owner) hereof, unless the Owner shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby;

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

(G) Performance of Duties by Agents: the Trustee may perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters concerning its duty hereunder, but the Trustee shall be answerable

for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it; provided that the Trustee shall not be answerable for the negligence or misconduct of any attorney-in-law or certified public accountant selected by it with due care.

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

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

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

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

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

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

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

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

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

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

(B) Reimbursement: except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or

made by the Trustee in accordance with any provision of this Indenture, all in accordance with the terms of the written agreement between the Agency and the Trustee; and

(C) Indemnification: to indemnify the Trustee for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trusts created hereby, including the costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Trustee and the obligations of the Agency under this Section shall survive the discharge of the Bond and this Indenture.

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

Section 11.8. Removal and Resignation; Appointment of Successor.

(A) Effectiveness of Resignation or Removal. No removal or resignation of the Trustee and appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 11.9 (Acceptance of Appointment by Successor) and compliance with the terms of Section 13.1(C) (Substitution of Trustee).

(B) Trustee's Right to Resign. The Trustee may resign at any time by giving written notice of such resignation to the Agency. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Agency and the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

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

(D) Removal of Trustee at Request of the Owner. The Agency shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owner by giving written notice of such removal to the Trustee.

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

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

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

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

(F) Appointment of Successor. If the Trustee shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Agency shall, with the consent of the Owner, promptly appoint a successor Trustee by an instrument in writing. If no successor Trustee shall have been so appointed by the Agency and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the Owner may, by an instrument signed by the Owner, appoint a successor Trustee, or may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

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

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

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

request of any successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, properties, rights, and duties.

Section 11.10. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 11.7 (Trustee Required; Eligibility), shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case the Bond shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bond so authenticated with the same effect as if such successor Trustee had itself authenticated the Bond.

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

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

ARTICLE XII MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 12.1. Supplemental Indentures Without Consent of the Owner. This Indenture and the rights and obligations of the Agency, of the Trustee, of the Original Purchaser, and of the Owner may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Agency may adopt without the consent of the Owner, but only with the consent of the Owner and only to the extent permitted by law and only for any one or more of the following purposes:

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

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

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

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

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

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

Section 12.2. Supplemental Indentures with Consent of the Owner. This Indenture and the rights and obligations of the Agency, the Original Purchaser, the Owner, and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Agency and the Trustee may enter into with the written consent of the Owner, which shall have been filed with the Trustee.

Section 12.3. Notice of Amendments. Promptly after the execution and delivery by the Trustee and the Agency of any Supplemental Indenture pursuant to this Article, the Trustee shall mail a notice prepared by the Agency setting forth in general terms the substance of such Supplemental Indenture or attaching a copy thereof, to the Owner at the address shown on the Bond Register. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 12.4. Execution of Supplemental Indentures. In executing, or accepting the additional duties created by, any Supplemental Indenture permitted by this Article or the modification thereby of the duties created by this Indenture, the Trustee shall be entitled to receive, and, subject to Section 11.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to enter into any such Supplemental Indenture that affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

Section 12.5. Effect of Supplemental Indentures. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Agency, the Trustee, and the Owner shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 12.6. Endorsement of Bond; Preparation of New Bond. A Bond delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Agency so

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

[Signature page follows]

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND**

By: _____
Executive Director

ATTEST:

Secretary

EXHIBIT A
Form of Bond

Registered

No. R-1

THIS BOND MAY ONLY BE TRANSFERRED IN WHOLE TO A PERSON OR ENTITY SUBJECT TO THE CONDITIONS DESCRIBED IN THE INDENTURE.

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF WOODLAND
WOODLAND REDEVELOPMENT PROJECT
2018 TAX ALLOCATION REFUNDING BOND**

| | | |
|--------------------------------------|----------------------|--------------------------------|
| ORIGINAL PRINCIPAL AMOUNT | INTEREST RATE | ORIGINAL ISSUE DATE |
| \$[PAR AMOUNT] | _____% | [CLOSING DATE] |

REGISTERED OWNER: [PURCHASER]

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body corporate and politic duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “Agency”), as successor agency to the Redevelopment Agency of the City of Woodland, for value received, hereby promises to pay (but only out of the Tax Revenues and other moneys and securities hereinafter referred to) to the registered owner named above or registered assigns, the installments of principal and interest (calculated from the original issue date stated above at the interest rate per annum stated above) in the amounts and on the dates stated below (subject to reduction in the case of a partial redemption of the Bond):

| | | | |
|-------------|------------------|-----------------|--------------|
| Date | Principal | Interest | Total |
|-------------|------------------|-----------------|--------------|

| Date | Principal | Interest | Total |
|-------------|------------------|-----------------|--------------|
|-------------|------------------|-----------------|--------------|

Interest on the unpaid principal amount of this Bond is calculated on the basis of a 360 day year comprising twelve 30-day months.

The principal and interest installments on this Bond are payable in lawful money of the United States of America by wire transfer on each payment date to the registered owner as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding such payment date. Payments of principal of the Bond shall be made without the requirement for presentation and surrender of the Bond by the registered owner, provided that principal of the Bond that is payable at final maturity shall be made only upon presentation and surrender of the Bond at the corporate trust office of U.S. Bank National Association, as trustee (together with any successor as trustee under the hereinafter mentioned Indenture, the “Trustee”).

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

The Agency has duly authorized the issuance of this Bond, has designated it as its “Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond” (the “Bond”), and has issued it in the original principal amount stated above. The Bond is issued by the Agency pursuant to the provisions of (i) Part 1.85 of Division 24 of the California Health and Safety Code (the “Dissolution Law”), (ii) Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of

Division 2 of Title 5 of the California Government Code, and (iii) an indenture dated September 1, 2018, between the Trustee and the Agency (as amended and supplemented from time to time, the “Indenture”), for the purpose of providing funds to refund bonds issued to finance redevelopment activities within or of benefit to the Woodland Redevelopment Project Area.

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

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

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

The Bond is subject to redemption on or after December 1, 20___, at the option of the Agency, from any source of available funds, on any date, as a whole or, with the consent of the registered owner, in part, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

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

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

The rights and obligations of the Agency and of the registered owner of the Bond may be modified or amended at any time in the manner, to the extent, and upon terms provided in the

Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owner of the Bond.

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

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

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND**

Attest:

By: _____
Chairperson

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

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

Dated: [closing date]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

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

Dated: _____

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

Signature(s) Guaranteed by:

Note: Signature must be guaranteed by an eligible guarantor institution (banks, securities brokers, savings associations, credit unions, or other institutions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17A(d)15.

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bond. A signed copy is on file in my office.

Secretary of the Agency

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation
Attorneys at Law
400 Capitol Mall, 27th Floor
Sacramento, California 95814-3363

Successor Agency to the Redevelopment Agency
of the City of Woodland
300 First Street
Woodland, California

Re: Successor Agency to the Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond

Members of the Governing Board:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Redevelopment Agency of the City of Woodland (the “Agency”), as successor agency to the Redevelopment Agency of the City of Woodland, of its Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond (the “Bond”), in the aggregate principal amount of \$[PAR AMOUNT] (the “Bond”), pursuant to an indenture dated September 1, 2018 (the “Indenture”), between the Agency and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Indenture.

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

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

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

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

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

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

4. Interest on the Bond is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Agency comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bond in order that interest on the Bond be, and continue to be, excludable from gross income for federal income tax purposes. The Agency has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bond to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bond. We express no opinion regarding other federal tax consequences arising with respect to the accrual or receipt of interest on, or the ownership or disposition of, the Bond.

5. Interest on the Bond is exempt from State of California personal income taxes.

The opinions set forth above are further qualified as follows:

a. The rights of the owner of the Bond and the enforceability of the Bond and the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, to the application of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith, and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies imposed on actions against public agencies in the State of California.

b. We express no opinion as to the enforceability under certain circumstances of contractual provisions respecting various summary remedies without notice or opportunity for hearing or correction, especially if their operation would work a substantial forfeiture or impose a substantial penalty upon the burdened party.

c. We express no opinion as to the effect or availability of any specific remedy provided for in the Indenture under particular circumstances, except that we believe such remedies are, in general, sufficient for the practical realization of the rights intended thereby.

d. We express no opinion as to the enforceability of any indemnification, contribution, choice of law, choice of forum, or waiver provisions contained in the Indenture.

e. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person whether any such actions are taken or omitted or events do occur. We disclaim any obligation to update this opinion for events occurring after the date hereof.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD,
A Professional Corporation

EXHIBIT B

Form of Purchaser's Letter of Representations

[Date]

City of Woodland
300 First Street
Woodland CA 95695

Re: Successor Agency to the Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project 2018 Tax Allocation Refunding Bond

Ladies and Gentlemen:

The undersigned, [name of Purchaser] (the "Purchaser"), hereby represents and warrants to you as follows:

1. The Purchaser has purchased on the date hereof the above-referenced bond (the "Bond"), the outstanding principal amount of which is \$[PAR AMOUNT], issued pursuant to the Indenture dated September 1, 2018 (the "Indenture"), made between U.S. Bank National Association and the Successor Agency to the Redevelopment Agency of the City of Woodland (the "Agency").

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and obligations such as the Bond in particular, to enable the Purchaser to evaluate the Bond, the credit of the Agency, the collateral, and the bond terms.

3. The Purchaser will make its own independent credit analysis and decision to purchase the Bond based on an independent examination and evaluation of the transaction and the information provided to the Purchaser by the Agency or its agents and deemed appropriate, without reliance on the Agency or its officers, employees, attorneys or agents.

4. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bond.

5. The Purchaser acknowledges that no official statement has been prepared for the Bond, and that the Agency will not be entering into a continuing disclosure agreement pursuant to SEC Rule 15c2-12 to provide ongoing disclosure respecting the Bond. The Purchaser has been offered copies of or full access to all documents relating to the Bond and all records, reports, financial statements and other information concerning the Agency and pertinent to the source of payment for the Bond as deemed material by the Purchaser that the Purchaser, as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

6. The Purchaser confirms that its purchase of the Bond constitutes acquisition of an asset that is suitable for its portfolio and consistent with its asset acquisition program and that the

Purchaser is able to bear the economic risk of ownership of the Bond, including a complete loss of value.

7. The Purchaser is purchasing the Bond solely for its own account and not with a present intent to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control). Because the Purchaser has no immediate intent to trade the Bond, the Purchaser has not obtained a CUSIP number for the Bond or applied for DTC eligibility for the Bond.

8. The Purchaser understands and agrees that ownership of the Bond may be transferred only in whole to a person or entity that executes a letter of representations substantially in the form of this letter.

9. The Purchaser understands that the Bond (i) has not been registered under the Securities Act of 1933, as amended (the "Act"), and (ii) has not been registered or qualified under any state securities or "Blue Sky" laws, and that the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

10. The Purchaser has been furnished with and has examined the Bond, the Indenture, and other documents, certificates and the legal opinions delivered in connection with the issuance of the Bond.

11. The Purchaser understands that the Agency and its counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

12. The signatory of this letter is a duly authorized officer of the Purchaser with the authority to sign this letter on behalf of the Purchaser, and this Certificate has been duly authorized, executed and delivered.

[PURCHASER]

By:
Name:
Title:

EXHIBIT C

Form of Requisition from Costs of Issuance Fund

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND

To: U.S. Bank National Association, Trustee
One California Street, Suite 1000
San Francisco, California 94111

The undersigned is authorized to submit this requisition pursuant to the terms of the Indenture dated September 1, 2018, between U.S. Bank National Association, as Trustee, and the Successor Agency to the Redevelopment Agency of the City of Woodland (the "Agency"). The Agency hereby requests payment of the amounts listed on Schedule I hereto.

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

Signature of Authorized Officer of the Agency

SCHEDULE I

[Please see attached invoices for delivery and/or wire instructions]

| <u>ITEM</u> | <u>PAYEE</u> | <u>AMOUNT</u> | <u>PURPOSE</u> |
|--------------------|---------------------|----------------------|-----------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

ESCROW AGREEMENT

between the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND**

and

**U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent**

Dated September 1, 2018

relating to the

current refunding of the
Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project
Tax Allocation Bonds, Series 2007A
(Issued: July 31, 2007)

ESCROW AGREEMENT

This ESCROW AGREEMENT dated September 1, 2018 (this “Escrow Agreement”), between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND (the “Successor Agency”), a public body, corporate and politic, duly established and existing under the Constitution and laws of the State of California, as successor agency to the Redevelopment Agency of the City of Woodland (the “Former Agency”), and U.S. BANK NATIONAL ASSOCIATION (the “Bank”), a national banking association duly organized and existing under and by virtue of the laws of the United States of America and being qualified to accept and administer the escrow hereby created as escrow agent (the “Escrow Agent”),

WITNESSETH:

WHEREAS, the Former Agency issued \$7,295,000 principal amount of its Woodland Redevelopment Project Tax Allocation Bonds, Series 2007A (the “Prior Bonds”), pursuant to the terms of the Indenture dated July 1, 2007 (the “Prior Indenture”), between the Former Agency and U.S. Bank National Association, as trustee thereunder (the “Prior Trustee”), of which \$6,750,000 principal amount is currently outstanding, to finance and refinance redevelopment activities within or of benefit to the Woodland Redevelopment Project Area in the City of Woodland;

WHEREAS, the Successor Agency has determined to refund all of the outstanding Prior Bonds and has authorized the issuance of its Woodland Redevelopment Project, 2018 Tax Allocation Refunding Bond (the “Refunding Bond”), pursuant to the Indenture dated September 1, 2018 (the “Indenture”), between the Agency and the Bank, as trustee (in such capacity, the “2018 Trustee”), to provide funds to redeem the Prior Bonds;

WHEREAS, the Successor Agency has taken action to cause to be made available for purchase by the Escrow Agent, from amounts on deposit in the Escrow Fund (as that term is later defined) certain direct noncallable United States Treasury obligations listed on Schedule I attached hereto and made a part hereof, in an aggregate principal amount that, together with the money deposited in the Escrow Fund at the same time as such deposit and the income to accrue on such securities, will be sufficient to pay the redemption price of the outstanding Prior Bonds on the date fixed for redemption, _____, 2018, together with the interest accrued thereon to the date fixed for redemption;

WHEREAS, the provisions of the Prior Indenture are incorporated herein by reference as if set forth herein in full;

NOW, THEREFORE, the Successor Agency and the Escrow Agent hereby agree as follows:

Section 1. Escrow Fund.

(a) Establishment and Funding of Escrow Fund. The Escrow Agent agrees to establish and maintain a fund for the Prior Bonds designated as the “Escrow Fund” until the Prior Bonds have been redeemed as provided herein. All money in the Escrow Fund is hereby irrevocably pledged to secure the redemption of the Prior Bonds as provided herein; provided that any money held in the

Escrow Fund that is not used for the redemption of the Prior Bonds shall be repaid to the Successor Agency free from the trust created by this Escrow Agreement.

The Escrow Agent shall, on the date of execution and delivery of this Escrow Agreement, the Successor Agency shall cause to be transferred to the Escrow Agent, a portion of the proceeds of the Refunding Bond in the amount \$ _____, and shall deposit that amount in the Escrow Fund. The Successor Agency hereby directs U.S. Bank National Association, as Prior Trustee, on the date of execution and delivery of this Escrow Agreement, to transfer to the Escrow Agent for deposit into the Escrow Fund \$ _____ from the Reserve Account established by the Prior Indenture.

(b) Investment of Money in the Escrow Fund. The Successor Agency hereby directs the Escrow Agent to purchase the Escrow Securities at the price of \$ _____ from the amounts in the Escrow Fund and retain the balance of such amounts, \$ _____, in cash uninvested.

Any receipts on investments made pursuant to this section in excess of the cost of such investments that are not needed for the redemption of the Prior Bonds shall be remitted to the Successor Agency free from the trust created by the Escrow Agreement. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this section and in full compliance with the provisions hereof.

(c) Payment from the Escrow Fund. The Successor Agency hereby irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Escrow Fund the interest on and principal of the Escrow Securities promptly as such interest and principal become due, and use such interest and principal, together with the money initially deposited in the Escrow Fund to pay redemption price of the Prior Bonds and accrued interest thereon to the date fixed for redemption as set forth in Schedule II attached hereto.

(d) Deficiencies in the Escrow Fund. If at any time it appears to the Escrow Agent that the money in the Escrow Fund will not be sufficient to make all payments required by Section 1 hereof, the Escrow Agent shall notify the Successor Agency in writing as soon as reasonably practicable of such fact, stating the amount of such deficiency and the reason therefor (if known to it), and the Successor Agency shall use its best efforts to obtain and deposit with the Escrow Agent for deposit in the Escrow Fund, from any legally available moneys, such additional money as may be required to provide for the timely making of all such payments. The Escrow Agent shall in no event or manner be responsible for the failure of the Successor Agency to make any such deposit.

Section 2. Notices of Defeasance and Redemption. The Successor Agency hereby irrevocably instructs the Escrow Agent, in accordance with the terms and conditions of the Prior Indenture to provide notice of defeasance of the Prior Bonds and notice of redemption for the Prior Bonds, such notices to be provided in the time and manner specified in the Prior Indenture and substantially in the forms shown in Exhibit A and Exhibit B.

Section 3. Termination. Upon the completion of the payments required from the Escrow Fund and the transfer of any moneys remaining in the Escrow Fund to the Successor Agency, this Escrow Agreement shall be terminated and of no further force or effect.

Section 4. Compensation and Indemnification of the Escrow Agent. (a) Payment for Services. The Successor Agency shall pay the Escrow Agent a fee for its services hereunder and

shall reimburse the Escrow Agent for its out-of-pocket expenses incurred by the Escrow Agent in connection with these services, all as more particularly agreed upon by the Successor Agency and the Escrow Agent; provided that these fees and expenses shall in no event be deducted from the Escrow Fund. Under no circumstances shall the Escrow Agent assert a lien on the Escrow Fund for any of its fees or expenses.

(b) Indemnification. The Successor Agency agrees to indemnify the Escrow Agent, its directors, agents, and its officers or employees for, and hold the Escrow Agent, its directors, agents, and its officers or employees harmless from, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind (including, without limitation, reasonable fees and disbursements of counsel or accountants for the Escrow Agent) that may be imposed on, incurred by, or asserted against the Escrow Agent or such other party at any time by reason of its performance of Escrow Agent's services, in any transaction arising out of this Escrow Agreement or any of the transactions contemplated herein, unless due to the negligence or willful misconduct of the particular indemnified party.

(c) Survival of Obligations. The obligations of the Successor Agency hereunder to the Escrow Agent shall survive the termination or discharge of this Escrow Agreement or the resignation or removal of the Escrow Agent.

Section 5. Functions of the Escrow Agent; Immunities.

(a) Application of Funds. Moneys held by the Escrow Agent hereunder are to be held and applied for the refunding of the Prior Bonds in accordance with the Prior Indenture and this Escrow Agreement.

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

(c) Reliance on Documents. The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, and shall be protected and indemnified as stated in this Escrow Agreement, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate, document, report or opinion.

(d) Escrow Agent's Immunities. The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages, even if parties know of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of covenants or agreements contained in the Prior Indenture, or in the case of the receipt of any written demand with respect to such default. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(e) Reliance on Advice of Counsel. The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Successor Agency) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(f) Not Responsible for Agency's Representations. The Escrow Agent shall not be responsible for any of the recitals or representations by the Successor Agency contained herein.

(g) Other Transactions. The Escrow Agent may engage or be interested in any financial or other transaction with the Successor Agency.

(h) Not Responsible for Sufficiency. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the moneys to make the payments of principal and interest with respect to the Prior Bonds in accordance with the terms and conditions herein.

(i) Not Responsible for Acts or Omissions of the Successor Agency. The Escrow Agent shall not be liable for any action or omission of the Successor Agency under this Escrow Agreement or the Prior Indenture.

(j) Reliance On Agency Certification. Whenever in the administration of the trust of this Escrow Agreement, the Escrow Agent 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, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(k) Accounting. The Escrow Agent will provide the Successor Agency with a final accounting of the funds maintained hereunder upon the redemption of the Prior Bonds.

(l) Bank's Funds Not at Risk. None of the provisions of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

(m) Use of Agents. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

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

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

Section 6. Merger or Consolidation of the Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent and vested with all of the title to the Escrow Fund and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7. Amendment of this Escrow Agreement. This Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the Successor Agency and the Escrow Agent (i) an unqualified opinion of bond counsel that such amendment will not adversely affect the excludability from gross income for federal income tax purposes of interest evidenced by the refinancing or the Prior Bonds, and (ii) unless such amendment is not materially adverse to the interests of the registered owners of the Prior Bonds, as evidenced by an opinion of counsel, the written consent of the registered owners of all Prior Bonds then outstanding.

Section 8. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 9. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail, as follows:

If to the Successor Agency:

Successor Agency to the Redevelopment Agency of the City of Woodland
300 First Street
Woodland, CA 95695
Attention: Treasurer

If to the Escrow Agent:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 11. Definitions. Unless the context otherwise requires, capitalized terms used herein have the meanings specified in the Prior Indenture.

Section 12. Execution. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Successor Agency and the Escrow Agent have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND**

By: _____
Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF DEFEASANCE

OF THE

**Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project
Tax Allocation Bonds, Series 2007A
(Issued July 31, 2007)**

NOTICE IS HEREBY GIVEN pursuant to the Indenture dated July 1, 2007 (the “Indenture”), between the Redevelopment Agency of the City of Woodland (the “Former Agency”) and U.S. Bank National Association, as trustee thereunder, which authorized and provided for the issuance and sale of the above-captioned bonds (the “Bonds”), that the Successor Agency to the Former Agency has deposited in escrow with U.S. Bank National Association, as its escrow agent (the “Escrow Agent”), money in the necessary amount (as evidenced in a verification report provided to the Escrow Agent) to redeem all of the Bonds on _____, 2018.

The owners of the Bonds are no longer entitled to the pledge of assets made under the Indenture. All agreements and covenants of the Former Agency contained in the Indenture with respect to the Bonds have been released and have ceased, terminated, become void and have been discharged and satisfied, except for the obligation to pay the redemption price of the Bonds, together with interest accrued thereon to the date fixed for redemption, but only from moneys on deposit with the Escrow Agent.

The Escrow Agent will send a notice of redemption to the owners of the Bonds prior to the redemption date in accordance with the requirements of the Indenture.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE OF DEFEASANCE IS FOR INFORMATION PURPOSES ONLY, AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OF THE DESCRIBED REFUNDED BONDS.

DATED: (date of notice generation) U.S. Bank National Association, as escrow agent

EXHIBIT B

NOTICE OF REDEMPTION

of the

**Redevelopment Agency of the City of Woodland
Woodland Redevelopment Project
Tax Allocation Bonds, Series 2007A
(Issued July 31, 2007)**

NOTICE IS HEREBY GIVEN pursuant to the Indenture dated July 1, 2007 (the “Indenture”), which authorized and provided for the issuance and sale of the above-captioned bonds (the “Bonds”), that:

The Successor Agency to the Redevelopment Agency of the City of Woodland (the “Successor Agency”) has called for redemption on _____, 2018 (the “Redemption Date”), all of the outstanding Bonds, which are currently outstanding in an aggregate principal amount of \$6,750,000, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus interest accrued thereon to the Redemption Date.

The Bonds are further identified as follows:

| <u>Maturity Date (December 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP¹</u> |
|---------------------------------------|-----------------------------|--------------------------|--------------------------|
| 2018 | \$ 265,000 | 4.375% | 979565 BA5 |
| 2019 | 280,000 | 4.500 | 979565 BB3 |
| 2020 | 290,000 | 4.600 | 979565 BC1 |
| 2021 | 305,000 | 4.600 | 979565 BD9 |
| 2022 | 320,000 | 4.600 | 979565 BE7 |
| 2023 | 335,000 | 4.625 | 979565 BF4 |
| 2024 | 350,000 | 4.650 | 979565 BG2 |
| 2029* | 2,030,000 | 4.750 | 979565 BK3 |
| 2034* | 2,575,000 | 4.875 | 979565 BL1 |

*Term Bonds

The redemption price of the Bonds, and interest accrued thereon to the Redemption Date, become due and interest on the Bonds shall cease to accrue from and after the Redemption Date.

On the Redemption Date, the Bonds shall be surrendered at the office of U.S. Bank National Association, as trustee, at the address shown below for redemption.

¹ The Successor Agency and the Escrow Agent are not responsible for the use of the CUSIP number(s) 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 owners.

Delivery Instructions:
U.S. Bank
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

IMPORTANT NOTICE

Under the Jobs Growth Tax Relief Reconciliation Act of 2003 (the “Act”), 28% will be withheld if tax identification number is not properly certified. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

DATED: _____, 2018

U.S. Bank National Association, as escrow agent

SCHEDULE I
ESCROW SECURITIES

| Type | Principal Amount | Interest Rate | Price | Maturity Date |
|-------------|-----------------------------|----------------------|--------------|----------------------|
|-------------|-----------------------------|----------------------|--------------|----------------------|

SCHEDULE II
REDEMPTION SCHEDULE

| Payment Date | Redemption Price | Accrued Interest | Total |
|---------------------|-----------------------------|-----------------------------|--------------|
| _____, 2018 | \$6,750,000 | | |



TO: THE OVERSIGHT BOARD
DATE: June 20, 2018
ITEM #: 2.
SUBJECT: Approve Amendment to Cal HFA HELP Loan

Recommendation for Action:

Staff recommends that the Board approve Resolution No. _____ approving an amendment to CalHFA Loan No. HELP-082506-08, directing staff to make necessary adjustments to the Recognized Obligation Payment Schedule, and submit the amendment to the California Department of Finance for review.

Staff Contact:

Kimberly McKinney, Finance Officer, (530) 661-5849, kimberly.mckinney@cityofwoodland.org

Fiscal Impact:

Approval of the loan amendment would allow the Successor Agency to make payments over time toward the total loan balance instead of the lump sum payment. Annual payments would range from \$200,000, increasing to \$300,000 per year, with final lump sum payment at the end of the modified loan term of May 2027. Staff has made adjustments to make maximum property tax increment revenues available to meet the revised payment plan, including reducing all administrative costs and refunding existing debt for savings.

Background:

In May 2008, the former Redevelopment Agency borrowed \$1,250,000 from California Housing Finance Agency (CalHFA) through a Housing Enabled by Local Partnership (HELP) loan 082506-08. The original terms of the agreement include interest accrual at 3.5% per year, and required payment of the principal and all accrued interest on May 7, 2017. The Successor Agency to the former Redevelopment Agency does not have sufficient funds to make the lump sum payment and is requesting to modify loan terms to allow partial payments toward the loan balance over the next ten years.

Discussion:

The former Redevelopment Agency (RDA) received a CalHFA HELP loan, the proceeds of which were passed through to a developer to assist with the construction of the Fair Plaza East 68-unit apartment complex. The RDA had done this type of pass through loan twice previously, with the Casa del Sol and Heritage Oaks projects, and had timed the expected repayment from the project owner to the RDA's payment date to CalHFA. However, the date for Fair Plaza to repay the funds it borrowed from the RDA is not until 2039.

When redevelopment was dissolved in 2012, the Successor Agency to the former Redevelopment Agency assumed all debts for the RDA, including this HELP loan. The Successor Agency relies on property tax increment revenues to repay all outstanding obligations. The increment is passed through from Yolo County in the form of Real Property Tax Trust Fund (RPTTF) distributions, once approved by the State Department of Finance (DOF). The funds are limited, though, to what would have been revenue to the former RDA. RPTTF distributions are not sufficient to pay the HELP loan balance currently due.

Staff met with CalHFA to discuss the option of modifying the loan agreement to allow partial loan payments over time. CalHFA was helpful and open to the idea of changes, but sufficient funding remained a concern.

In an effort to free up revenues to assist with annual payments for this loan, staff has been working to refund existing bond debt and lower annual payments, and any and all revenue that might have been available for costs related to administration of the Successor Agency are being redirected.

Following approval by the Oversight Board, the proposed changes to the loan will be forwarded to the DOF for review. Assuming it is approved, the Recognized Obligation Payment Schedule (ROPS) 18-19 will also need to be revised to reflect the corrected payments.

Conclusion:

Staff recommends that the Board approve Resolution No. _____ approving an amendment to CalHFA Loan No. HELP-082506-08, directing staff to make necessary adjustments to the Recognized Obligation Payment Schedule, and submit the amendment to the California Department of Finance for review.

Prepared By: Kimberly McKinney, Finance Officer

ATTACHMENTS:

| Description | Upload Date | Type |
|---------------------------------|-------------|-----------------|
| Resolution | 6/14/2018 | Resolution |
| Exhibit A - HELP Loan Amendment | 6/14/2018 | Backup Material |

RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, APPROVING AN AMENDMENT TO CALHFA LOAN NO. HELP-082506-08 AND DIRECTING THE SUCCESSOR AGENCY TO MAKE ADJUSTMENTS TO RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 18-19) TO AUTHORIZE THE REQUIRED PAYMENTS TO THE CALIFORNIA HOUSING FINANCE AGENCY

WHEREAS, the Redevelopment Agency of the City of Woodland (the “RDA”) and the California Housing Finance Agency (“CalHFA”) entered into that certain Housing Enabled by Local Partnerships (“HELP”) Loan Agreement dated May 7, 2007 pursuant to which CalHFA made a loan to the RDA in the principal amount of \$1,250,000 for the purpose of assisting a local housing program in the City of Woodland; and

WHEREAS, under the terms of the Loan Agreement all principal and interest on the Loan became due on May 7, 2017, but to date has not been repaid; and

WHEREAS, on February 1, 2012 the RDA dissolved, and the Successor Agency to the RDA assumed responsibility for all RDA obligations, including paying off all outstanding RDA debts; and

WHEREAS, the Successor Agency and CalHFA desire to amend the HELP Loan Agreement to establish repayment terms that will allow the Successor Agency to repay the HELP Loan in full; and

WHEREAS, the Oversight Board is required to approve any action by the Successor Agency to establish new repayment terms for outstanding loans where the terms have not been specified prior to February 1, 2012; and

WHEREAS, the Oversight Board further desires to clarify that it authorizes that certain payments be made to CalHFA in accordance with the amendment to the Loan Agreement and requests that adjustments be made to the Recognized Obligation Payment Schedule (“ROPS”) to reflect such payment;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND 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. CEQA Compliance. The actions of the Oversight Board herein do not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of Amendment. The Oversight Board hereby approves the Amendment to Loan Agreement—CalHFA Loan No. HELP—082506-08 in the form attached hereto as Exhibit A.

Section 4. Adjustment to ROPS 18-19. The Oversight Board directs that an adjustment be made to line item #7 on ROPS 18-19 to reflect that a payment of \$200,000 to be made from Real Property Tax Trust Fund funds on or before May 7, 2019.

Section 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. Certification. The City Clerk of the City of Woodland acting on behalf of the Oversight Board as its Secretary shall certify to the adoption of this Resolution.

Section 7. Effective Date. Pursuant to Health and Safety Code Section 34179(h), the State of California Department of Finance may review all actions taken by the Oversight Board, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this _____ day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Enrique Fernandez, Board Chairperson

ATTEST:

Ana Gonzalez, Board Secretary

EXHIBIT A

Amendment to HELP Loan Agreement

[attached behind this cover page]

CALIFORNIA HOUSING FINANCE AGENCY

AMENDMENT TO LOAN AGREEMENT

Housing Enabled by Local Partnerships

CalHFA Loan No. HELP-082506-08

This amendment ("Amendment") dated _____, 2018 amends that certain HELP Loan Agreement (the "Agreement") made and entered into on May 7, 2007, by and between the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California (the "Agency") and the Redevelopment Agency of the City of Woodland, a public body, corporate and politic, and assumed by the City of Woodland in its capacity as the Successor Agency to the Redevelopment Agency of the City of Woodland (the "Borrower").

RECITALS

A. The Agency authorized the making of a loan (the "HELP Loan") to the Borrower for the purpose of assisting the Borrower in operating a local housing program (the "Project"), as more particularly described in the Borrower's loan application to the Agency and as further described in Exhibits A and B of the original HELP Loan Agreement; and

B. The agreed term of the Loan expired on May 7, 2017, and the balance of the HELP Loan became due in full on said date.

C. As of May 7, 2017 the remaining unpaid balance due on the HELP Loan will be One Million Six Hundred Twenty One Thousand Three Hundred Seventy and 74/100 Dollars (\$1,621,370.74).

| | |
|------------|----------------|
| Principal: | \$1,250,000.00 |
| Interest: | \$ 371,370.74 |

Interest on unpaid principal balance accrues at 3.5% simple interest.

D. Borrower has requested and the Agency has agreed to grant an extension of time to repay the HELP Loan balance.

NOW, THEREFORE, in consideration of the mutual promises expressed herein, the parties hereto agree as follows:

1. Recitals. The above recitals are incorporated herein.
2. Term. The term of the Agreement and the time for Borrower to repay the entire unpaid balance of the HELP Loan is extended to May 7, 2028.

3. Other terms.

a. As a condition of the extension, Borrower shall make partial payments to the Agency as follows:

- i. \$200,000 by May 7, 2019
- ii. \$200,000 by May 7, 2020
- iii. \$200,000 by May 7, 2021
- iv. \$200,000 by May 7, 2022
- v. \$200,000 by May 7, 2023
- vi. Payment deferred for fiscal year 2023-24
- vii. \$300,000 by May 7, 2025
- viii. \$300,000 by May 7, 2026
- ix. \$300,000 by May 7, 2027
- ix. Payment of the remaining loan balance by May 7, 2028.

b. In the event that for the extended term of the Agreement, the Borrower does not receive sufficient funds in a given fiscal year from the Redevelopment Property Tax Trust Fund (“RPTTF”) established for Borrower to pay all of the Enforceable Obligations approved on the Borrower’s Recognized Obligation Payment Schedule as approved by Borrower’s Oversight Board and the California State Department of Finance (including the partial payment due in such fiscal year), then Borrower shall pay the amount received by the Borrower in that fiscal year from the RPTTF, less the amounts required to be paid toward Borrower’s other Enforceable Obligations during that fiscal year toward the partial payment due for that fiscal year. The remainder portion of the partial payment that is due for such fiscal year but not paid shall be carried over and added to the amount due during the subsequent fiscal year. Such amounts shall continue to be carried over into subsequent fiscal years until Borrower has paid such remainder amounts out of the available RPTTF funds. Notwithstanding the foregoing, the maturity date for the Loan shall remain May 7, 2027, and all outstanding principal and interest is due on such date.

c. For purposes of this Amendment, the follow definitions shall apply:

i. “Redevelopment Property Tax Trust Fund” shall mean the fund created within the treasury of the County of Yolo for the Borrower pursuant to Health & Safety Code section 34170.5. “

ii. “Recognized Obligation Payment Schedule” shall be defined as set forth in Health & Safety Code section 34170.5(h).

iii. “Enforceable Obligation” shall be defined as set forth in Health & Safety Code section 34167(d).

d. Any additional payments received above the minimum annual required payments will be applied toward principal.

e. This Amendment is conditioned upon approval by the Oversight Board for the Borrower and the California State Department of Finance, and Borrower's providing written evidence therefor to the Agency.

f. Except as expressly modified herein, all terms of the Agreement remain in full force and effect.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above written.

BORROWER:

CITY OF WOODLAND in its capacity as the
Successor Agency to the Redevelopment Agency
of the City of Woodland

By: _____
Paul Navazio, Executive Director

APPROVED AS TO FORM:

By: _____
Kara K. Ueda, Successor Agency Counsel

AGENCY:

CALIFORNIA HOUSING FINANCE AGENCY,
a public instrumentality and political subdivision
of the State of California

By: _____
Tia Boatman Patterson, Executive Director



TO: THE OVERSIGHT BOARD
DATE: June 20, 2018
ITEM #: 3.
SUBJECT: Oddfellows Loan Status Update

Recommendation for Action:

Staff will provide the Board with an update on the status of an outstanding Successor Agency loan to the owner of the Oddfellows Building, located at 725 Main Street.



TO: THE OVERSIGHT BOARD
DATE: June 20, 2018
ITEM #: 4.
SUBJECT: Update on Oversight Board Consolidation Process

Recommendation for Action:

Staff will provide the Board with an update on the status and next steps for the countywide consolidation of Oversight Boards.