

# Orange Countywide Oversight Board

Agenda Item No. 6A

Date: 4/21/2020

From: Successor Agency to the Stanton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Authorizing Issuance of Refunding Bonds

Recommended Action:

Approve resolution to authorize issuance of refunding bonds by the Successor Agency to the Stanton Redevelopment Agency.

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The Stanton Successor Agency requests approval of a resolution authorizing the issuance of refunding bonds by the Successor Agency to the Stanton Redevelopment Agency.

The Dissolution Act authorizes refinancing of the former redevelopment agency debt if debt service on the bonds can be reduced. Refinancing of outstanding municipal bonds is generally referred to as “refunding” and the bonds issued for this purpose are referred to as “Refunding Bonds.”

When the Stanton Redevelopment Agency (Former Agency) was dissolved, the Former Agency had 5 series of tax allocation bonds outstanding. Four of the bond issues were refinanced in 2016. A portion of the Former Agency’s Tax Allocation Bonds, 2010 Series A (2010 Bonds) were not refinanced at that time because there were no debt service savings.

There are currently \$11,085,000 outstanding 2010 Bonds. The average rate on the 2010 Bonds is 4.36% and the 2010 Bonds mature in 2035. The 2010 Bonds are callable for early redemption on December 1, 2020.

The Successor Agency’s Municipal Advisor estimates that refinancing of the 2010 Bonds will be at an effective rate of 2.65% and mature in 15 years. The repayment of the Successor Agency bonds is scheduled to occur over the same term as the existing bonds. The total net debt service savings over the remaining 15 years that the existing bonds are outstanding is estimated today at approximately \$1.58 million, with a present value of \$1.14 million, or 10.3% of the outstanding 2010 Bonds. These savings will reduce the requested RPTTF funding for enforceable obligations, resulting in increased residual RPTTF available to be distributed to all taxing agencies.

In order to finance the amount required to redeem the outstanding 2010 Bonds on December 1, 2020, plus interest due on December 1, 2020, it is estimated that the Successor Agency will need to raise approximately \$9,715,000 from the sale of the Refunding Bonds. Based on current market conditions, the par amount of the Refunding Bonds is estimated to be \$8,195,000, issued with an original issue premium of \$1,520,000, and will provide total funding of \$9,715,000. The table on the following page provides the anticipated size of the bond issue, including funding of the costs of issuance.

Cost of Issuance		\$ 156,000
Underwriting Commission		64,000
2010 Bond Principal + Interest	\$ 11,300,000	
2010 Bonds Available Reserve Funds	(1,135,000)	
RPTTF on Hand for 2010 Bonds	<u>(670,000)</u>	<u>9,495,000</u>
Total Bond Proceeds		\$ 9,715,000
Original Issue Premium		<u>(1,520,000)</u>
Par Amount of Bonds Issued		\$ 8,195,000

The reserve fund held by the trustee for the 2010 Bonds and the Redevelopment Property Tax Trust Fund (RPTTF) already collected for the December 1, 2020 debt service payment of the 2010 Bonds will be applied to the early redemption of the 2010 Bonds. It is not anticipated that a reserve fund for the Successor Agency bonds will be funded with bond proceeds.

An original issue premium (as shown in the table above) is generated when investors want to hedge against higher future interest rates and require a high stated interest rate (such as 5.0%), but price the bonds to yield a lower current market interest rate (such as 2.0%) and therefore pay the Successor Agency more than 100% of the face value of the bonds, resulting in a lower par amount of bonds required to be issued.

The par amount of the Refunding Bonds will be subject to prevailing market conditions at the time of sale. Therefore a not-to-exceed par amount of \$10.5 million is being requested to provide a reasonable cushion above the expected par amount should interest rates fluctuate or if the bonds are priced without an original issue premium based on investor preference at the time of sale. The amount of the Bonds issued will only be the amount necessary to refinance the outstanding bonds and pay the costs as shown above.

#### Impact on Taxing Entities

The total debt service savings over the remaining 15 years that the existing bonds are outstanding is estimated today at approximately \$2.7 million. After applying the \$1.1 million existing bonds reserves held by the trustee toward the existing 2010 Bonds debt service, the net debt service savings over the remaining 15 years that the 2010 Bonds are outstanding is estimated today at approximately \$1.58 million as shown on the following page, with a present value of \$1.14 million.

Bond Year Ending December 1	2010 Bonds Debt Service <sup>(1)</sup>	Refunding Bonds Debt Service	Nominal Savings	Present Value Savings
2021	\$ 900,319	\$ 729,911	\$ 70,408	\$ 164,696
2022	909,006	738,750	170,256	161,876
2023	1,131,194	916,750	214,444	199,195
2024	1,127,594	915,000	212,594	192,975
2025	1,127,994	917,000	210,994	187,157
2026	1,132,194	917,500	214,694	186,095
2027	1,134,994	921,500	213,494	180,839
2028	1,130,344	918,750	211,594	175,143
2029	1,128,369	914,500	213,869	172,983
2030	1,134,906	923,750	211,156	166,891
2031	709,531	575,750	133,781	103,354
2032	713,400	578,250	135,150	102,019
2033	715,881	584,500	131,381	96,902
2034	716,975	584,250	132,725	95,650
2035	<u>716,681</u>	<u>582,750</u>	<u>133,931</u>	<u>94,307</u>
Total	\$14,429,381	\$11,718,911	\$2,710,470	\$2,280,082
2010 Bonds Reserve Fund			<u>(1,134,906)</u>	<u>(1,134,906)</u>
Net Savings			\$1,575,564	\$1,145,176

(1) Excludes June 1 and December 1, 2020 debt service already funded with RPTTF received 2019-20.

These savings will reduce the requested Redevelopment Property Tax Trust Fund (RPTTF) funding for enforceable obligations, resulting in increased residual RPTTF available to be distributed to all taxing agencies. The additional residual RPTTF over the next 15 years would be distributed as follows based on the distribution percentages in 2018-19:

	<u>Total</u>	<u>% Share</u>
County	\$ 86,886	5.5%
K-12 Schools	725,506	46.1%
Community Colleges	107,547	6.8%
County Office of Education	37,590	2.4%
ERAF	261,927	16.6%
City of Stanton	215,412	13.7%
Special Districts	<u>140,694</u>	<u>8.9%</u>
Total Residual	\$1,575,564	100.0%

#### Authorization

The Successor Agency authorized the issuance of the Refunding Bonds on March 24, 2020. Final approval authority for any refinancing resides with Orange Countywide Oversight Board (Oversight Board) and the Department of Finance (DOF).

The Successor Agency has prepared a resolution for the Oversight Board to consider for the authorization of the issuance of the Refunding Bonds. The resolution provides that Refunding Bonds can only be issued if the debt service savings requirements of Health & Safety Code Section 34177.5(a)(1) are met.

If the Oversight Board approves the resolution authorizing the issuance of the Refunding Bonds, the Oversight Board resolution will be transmitted to the Department of Finance (DOF). DOF then has approximately 60 days to review the transaction for conformity with the provisions of HSC 34177.5(a)(1) and authorize the Successor Agency to proceed with the transaction.

The Successor Agency cannot enter the market to sell the Refunding Bonds until the DOF has approved the transaction. The Successor Agency will be in position to enter the market in early August and issue the Refunding Bonds in September. Between now and then, interest rates could increase and debt service savings may be reduced. Therefore, the current estimate of \$1.58 million savings to be shared among taxing agencies over the next 15 years is an estimate at this time. For every ¼% increase or decrease in the bonds interest rate, the total savings will be reduced or increased by \$190,000, or \$13,000 annually.

Given the recent market volatility and the impact of the coronavirus on the economy, it is difficult to predict with certainty what the interest rates will be in August 2020 when the Refunding Bonds can be sold. Based on interest rates as of March 12, 2020, the present value savings are expected to be 10.3% of the 2010 Bonds debt service. The Dissolution Act requires that there be some savings and the Successor Agency Board approved the issuance if the present value savings are at least 5%. If interest rates fall, the savings will increase.

After the market crash in 2008, it took some time for interest rates on municipal bonds to catch up with reductions in the US Treasury bond interest rates, so there is not a lot of certainty at the moment in predicting interest rates for municipal bonds 4 to 5 months from now. While municipal bond rates are likely to be lower than today, there is no guarantee of that, so it was prudent of the Successor Agency to set a minimum present value savings target of 5%. Once approval is received from DOF, it does not expire, so if market conditions in August do not produce a 5% savings, the Successor Agency can defer and wait until a more opportune time.

#### Last and Final ROPS

Since the Successor Agency's Last and Final ROPS is already complete, the issuance of the Refunding Bonds will require an amendment to the Last and Final ROPS to reduce the RPTTF payable to the Successor Agency for the 2010 Bonds. The staff anticipates submitting the amendment to the Last and Final ROPS to the Oversight Board at its September 22, 2020 meeting. The Last and Final ROPS is permitted to be amended two times.

#### Staff Contact(s)

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#### Attachments

- Proposed Oversight Board Resolution authorizing issuance of refunding bonds
- Resolution from Successor Agency to the Stanton Redevelopment Agency authorizing issuance of refunding bonds
- Form of Third Supplemental Indenture
- Form of Irrevocable Refunding Instructions
- Debt Service Savings Analysis

RESOLUTION NO. 20-\_\_\_\_\_

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE  
SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY,  
MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE  
REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

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

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Health and Safety Code Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") was established and has jurisdiction over all of the successor agencies existing and operating in Orange County, including the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency issued the \$25,280,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds") to provide moneys to finance redevelopment activities for Stanton Redevelopment Project Area which were issued pursuant to the Indenture of Trust dated July 1, 2005 by and between the Stanton Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Indenture") as supplemented by that certain First Supplement to Indenture of Trust dated October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "First Supplemental Indenture"); and

WHEREAS, the Former Agency further issued its \$15,330,000 Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011 Series A Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A.; and

WHEREAS, subsequently the Former Agency issued its \$12,480,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011 Series B Bonds," pursuant to that certain Second Supplement to the Indenture of Trust dated March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A. (the "Second Supplemental Indenture"); and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee in order to refund the Former Agency’s Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A Bonds and 2005 Series B Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the 2016 Bonds were issued on a subordinate basis to the Prior Bonds (as defined below); and

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

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Harrell & Company Advisors, LLC (the "Municipal Advisor"), to prepare an analysis (the "Debt Service Savings Analysis") of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the outstanding 2010 Bonds (the “Prior Bonds”);

WHEREAS, the Successor Agency by its resolution adopted on March 24, 2020 (the "Successor Agency Resolution") approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) on a senior basis to the 2016 Bonds;

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the Third Supplemental Indenture, by and between the Successor Agency and U.S. Bank National Association, as successor trustee to The Bank of New York Mellon and Trust Company, N.A., providing for the issuance of the Refunding Bonds (the "Third Supplemental Indenture" together with the Original Indenture, the First Supplemented Indenture and the Second Supplemented Indenture, the “Indenture”);

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

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to Stifel, Nicolaus & Company, Incorporated (the "Original Purchaser") pursuant to the terms of a bond purchase agreement to be entered into by the Successor Agency and the Original Purchaser;

WHEREAS, the Successor Agency has, with the assistance of its Disclosure Counsel, Quint & Thimmig LLP, the Municipal Advisor, and the Original Purchaser, prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, for distribution by the Original Purchaser, as underwriter of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds;

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

NOW THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD;

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

SECTION 2. Ratification and Adoption of Successor Agency Resolution. The Successor Agency Resolution is hereby approved as set forth in the recitals above.

SECTION 3. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

SECTION 4. Direction and Approval of Issuance of the Bonds. As authorized by Section 34177.5(f), the Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby directs and approves the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters with respect

thereto, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency pursuant to the Successor Agency Resolution and the Oversight Board pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

SECTION 5. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of this Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 6. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

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

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

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance approved by the California Department of Finance pursuant to Section 34191.6(b) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any



reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance, if it amends the Last and Final ROPS approved by the California Department of Finance pursuant to Section 34191.6(b).

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

SECTION 8. Transmittal. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

**RESOLUTION NO. SA 2020-01**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED STANTON REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

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

**WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency issued the \$25,280,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds") to provide moneys to finance redevelopment activities for Stanton Redevelopment Project Area of the Former Agency which were issued pursuant to the Indenture of Trust dated July 1, 2005 by and between the Stanton Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Indenture") as supplemented by that certain First Supplement to Indenture of Trust dated October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "First Supplemental Indenture"); and

**WHEREAS**, the Former Agency further issued its \$15,330,000 Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011 Series A Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A.; and

**WHEREAS**, subsequently the Former Agency issued its \$12,480,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011 Series B Bonds,") pursuant to that certain Second Supplement to the Indenture of Trust dated March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Second Supplemental Indenture"); and

**WHEREAS**, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "2016 Series A Bonds") and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "2016 Series B Bonds") pursuant to an Indenture of Trust dated as of February 1, 2016, between the

Successor Agency and the Trustee in order to refund the Former Agency's Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A Bonds and 2005 Series B Bonds; and

**WHEREAS**, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the "Series 2016C Bonds") and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the "Series 2016D Bonds," collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the "2016 Bonds") in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

**WHEREAS**, the 2016 Bonds were issued on a subordinate lien basis to the Prior Bonds (as defined below); and

**WHEREAS** the 2011 Series B Bonds and a portion of the 2010 Bonds were defeased by a portion of the proceeds of the 2016 Bonds; and

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

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the Stanton Redevelopment Agency Stanton Redevelopment Project Area Tax Allocation Refunding Bonds, 2020 Series A (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Harrell & Company Advisors, LLC (the "Municipal Advisor"), to prepare an analysis (the "Debt Service Savings Analysis") of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the outstanding 2010 Bonds (the "Prior Bonds"); and

**WHEREAS**, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds on a senior basis to the 2016 Bonds and to approve the form of and authorize the execution and delivery of the Third Supplement to Indenture of Trust dated September 1, 2020 by and between the Successor Agency and U.S. Bank National Association, as successor trustee, providing for the issuance of the Refunding Bonds (the "Third Supplemental Indenture," collectively with the Original Indenture, the First Supplemental and the Second Supplemental Indenture, the "Indenture"), Irrevocable Refunding Instructions to be delivered by the Successor Agency to the successor trustee for the Prior Bonds (the "Refunding Instructions"), and a bond

purchase agreement (the "Purchase Agreement") between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), forms of which have been presented to this meeting and are on file with the City Clerk; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(q), commencing on and after July 1, 2018, the County of Orange Countywide Oversight Board (the "Oversight Board") was established and has jurisdiction over all of the successor agencies existing and operating in Orange County, including the Successor Agency; and

**WHEREAS**, pursuant to Section 34177.5(f) and Section 34180(b), the issuance of the Refunding Bonds by the Successor Agency is subject to the approval of the Oversight Board; and

**WHEREAS**, the Successor Agency, Harrell & Company Advisors, LLC, as Municipal Advisor ( the "Municipal Advisor") and Quint & Thimmig LLP, as disclosure counsel, ("Disclosure Counsel") cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter, to persons and institutions interested in purchasing the Refunding Bonds, along with the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which contains certain disclosure covenants to be performed by the Successor Agency for the life of the Bonds; and

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

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

**WHEREAS**, the Successor Agency has determined to sell the Refunding Bonds to the Underwriter pursuant to the terms of the Purchase Agreement; and

**WHEREAS**, the City Council has previously approved a Debt Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy; and

**WHEREAS**, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature), requires that the Successor Agency obtain from an underwriter, municipal advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Refunding Bonds, good faith estimates of (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the

fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds; and

**WHEREAS**, in compliance with Section 5852.1 of the California Government Code , the Successor Agency has prepared, with the assistance of the Municipal Advisor, based on information provided by the Underwriter, the required good faith estimates and such estimates are included as Exhibit A to this Resolution.

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:**

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

**SECTION 2. Approval of Issuance of the Bonds.** The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$10,500,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

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

by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

**SECTION 4. Approval of Refunding Instructions.** The form of the Refunding Instructions in substantially the form presented at this meeting and on file with the Successor Agency are hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions, in substantially the forms on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

**SECTION 5. Approval of Official Statement.** The Successor Agency hereby approves the preliminary Official Statement in substantially the form presented at this meeting and on file with the City Clerk; provided, however, that the Preliminary Official Statement presented at this meeting does not include information pertaining to assessed valuation of properties in the Redevelopment Project for fiscal year 2020-21, which an Authorized Officer is hereby authorized and directed to approve for inclusion in the Preliminary Official Statement when and as such information becomes available prior to the distribution of the preliminary Official Statement.

Distribution of the preliminary Official Statement by the Underwriter is hereby approved. Prior to the distribution of the preliminary Official Statement, the Authorized Officers are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

**SECTION 6. Approval of Continuing Disclosure Certificate.** Each of the Authorized Officers acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, negotiate, execute and deliver the Continuing Disclosure Certificate in substantially the same form as contained in the appendix of the Official Statement, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

**SECTION 7. Oversight Board Approval of the Issuance of the Bonds.** The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

**SECTION 8. Determinations by the Oversight Board.** The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

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

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

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

**SECTION 9. Filing of Debt Service Savings Analysis and Resolution.** The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Orange County Administrative Officer, the Orange County Auditor-Controller and the California Department of Finance.

**SECTION 10.**        Sale of Refunding Bonds. The Successor Agency hereby approves the Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement, provided that: (i) the aggregate principal amount of the Refunding Bonds to be issued shall not exceed \$10,500,000; (ii) the Underwriter's discount (excluding original issue discount, if any) shall not exceed 0.95% of the aggregate principal amount of the Refunding Bonds to be issued and (iii) the present value savings from issuance of the Refunding Bonds is at least 5%.

**SECTION 11.**        Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

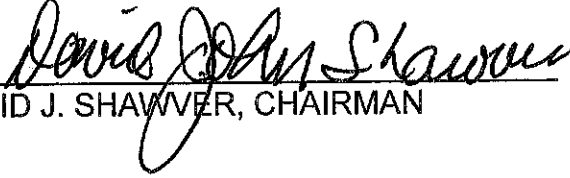
**SECTION 12.**        Professional Services. The selection of Harrell & Company Advisors, LLC as Municipal Advisor, and the firm of Best Best & Krieger LLP, as Bond Counsel, and Quint & Thimmig LLP, as Disclosure Counsel, is hereby confirmed. The Authorized Officers, each acting alone, are hereby authorized to execute professional services agreement with each such firm. Additionally, the selection of U.S. Bank National Association, as trustee for the Refunding Bonds, is hereby also confirmed.

**SECTION 13.**        Official Actions. The Authorized Officers and any and all other officers of the Successor Agency and the City are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**SECTION 14.**        Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.



ADOPTED, SIGNED AND APPROVED this 24<sup>th</sup> day of March, 2020.

  
DAVID J. SHAWVER, CHAIRMAN

APPROVED AS TO FORM:

  
MATTHEW E. RICHARDSON, AGENCY COUNSEL

ATTEST:

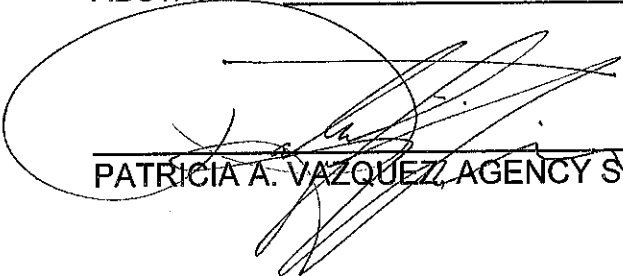
I, Patricia A. Vazquez, Agency Secretary of the City of Stanton, as Successor to Stanton Redevelopment Agency, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. SA 2019-02 has been duly signed by the Chairperson and attested by the Agency Secretary, all at a regular meeting of the City of Stanton, as Successor to Stanton Redevelopment Agency, held on September 10, 2019, and that the same was adopted, signed, and approved by the following vote to wit:

AYES: Ramirez, Shawver, Taylor, Van, Warren

NOES: None

ABSENT: None

ABSTAIN: None

  
PATRICIA A. VAZQUEZ, AGENCY SECRETARY

## EXHIBIT "A"

### SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Harrell & Company Advisors (the Successor Agency's "Municipal Advisor").

*Principal Amount of the Refunding Bonds.* The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$8,195,000 (the "Estimated Principal Amount").

*True Interest Cost of the Refunding Bonds.* The Municipal Advisor has informed the Successor Agency that, assuming that the respective Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 2.63%.

*Finance Charge of the Refunding Bonds.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$220,000.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds as estimated above, paid or funded with proceeds of the Refunding Bonds, is \$9,495,000.

*Total Payment Amount.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the respective proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$11,719,000 and the sum of annual ongoing costs to administer the Refunding Bonds not paid with proceeds of the Refunding Bonds is \$71,000.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on March 12, 2020. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the Successor Agency based on various factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.

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**THIRD SUPPLEMENT TO  
INDENTURE OF TRUST**

**Dated as of September 1, 2020**

**between the**

**SUCCESSOR AGENCY TO THE  
STANTON REDEVELOPMENT AGENCY**

**and**

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

**Relating to**

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

**Successor Agency to the  
Stanton Redevelopment Agency  
Tax Allocation Refunding Bonds, 2020 Series A**

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### **THIRD SUPPLEMENT TO INDENTURE OF TRUST**

This THIRD SUPPLEMENT TO INDENTURE OF TRUST (this “Third Supplemental Indenture”) dated as of September 1, 2020, is between the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under the Redevelopment Laws of the State of California (the “Successor Agency”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as successor trustee (the “Trustee”).

#### ***BACKGROUND:***

1. The Stanton Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State of California (the “Redevelopment Law”), including the power to issue bonds for any of its corporate purposes; and

2. In order to provide financing for the Stanton Redevelopment Project Area, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the “2005 Series A Bonds”) under the Indenture of Trust dated as of July 1, 2005 (the “2005 Bond Indenture”) between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the “2005 Series B Bonds,” collectively with the 2005 Series A Bonds, the “2005 Bonds”) under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the “2010 Bonds”) under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the “First Supplemental Indenture”); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the “2011 Bonds”), under the 2005 Bond Indenture, as supplemented by the First Supplemental Indenture, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the “Second Supplemental Indenture”).

3. Following the issuance of the bonds referenced in the paragraph 2 above, the California legislature enacted the Dissolution Act (as defined herein), pursuant to which the Former Agency was dissolved and no longer exists as a public body, corporate and politic, and the Successor Agency has become the successor entity to the Former Agency;

4. Said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

5. The Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee (the “2016 Original Indenture”) in order to refund the 2005 Bonds; and

6. The Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016 (together with the 2016 Original Indenture, the “2016 Indenture”); and

7. The Successor Agency has determined that it will achieve debt service savings within the parameters set forth in said Section 34177.5 by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its \$\_\_\_\_\_ aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Redevelopment Tax Allocation Refunding Bonds, 2020 Series A (the “2020 Series A Bonds”) in order to refund, on a current basis, all of the outstanding 2010 Bonds (the “Prior Bonds”) pursuant to the 2005 Bond Indenture, as supplemented and amended by the First Supplemental Indenture, Second Supplemental Indenture and this Third Supplemental Indenture (collectively, the “Indenture”); and

8. Section 3.05 of the 2016 Indenture authorizes the issuance of bonds to refund the Prior Bonds on a senior basis to the 2016 Bonds; and

9. Debt service on the 2020 Series A Bonds will be payable on a senior basis to the debt service on the 2016 Bonds; and

10. The Successor Agency has certified that all acts and proceedings required by law necessary to make the 2020 Series A Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized.



NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

**AGREEMENT:**

In order to secure the payment of the principal of and the interest on all the Outstanding 2020 Series A Bonds under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2020 Series A Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2020 Series A Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the 2020 Series A Bonds, as follows:

**SECTION 1. Purpose of this Third Supplemental Indenture.** This Third Supplemental Indenture constitutes a Supplemental Indenture under and as defined in the Indenture. The purpose of this Third Supplemental Indenture is to authorize the issuance of the 2020 Series A Bonds as Parity Bonds under Section 3.05 of the Indenture.

**SECTION 2. Supplemental Provisions of Indenture.** In accordance with Sections 3.05 and 7.01(c) of the Indenture, the Indenture is hereby amended by adding thereto new Articles XII, XIII, XIV and XV reading in its entirety as follows, and which is hereby incorporated into the Indenture.

**ARTICLE XII**

**ISSUANCE OF 2020 SERIES A BONDS**

**SECTION 12.01.** *Definitions.* The capitalized terms defined in Section 1.01 of this Indenture have the respective meanings given them in Section 1.02 when used in this Article, except in the case of capitalized terms which are otherwise defined in this Section 12.01. For all purposes of this Article the following terms have the following defined meanings:

“Article” means this Article XII and XIII of this Indenture.

“Closing Date” means September 3, 2020, being the date on which the 2020 Series A Bonds are delivered by the Successor Agency to the Original Purchaser.

“Continuing Disclosure Certificate” means, with respect to the 2020 Series A Bonds, that certain Continuing Disclosure Certificate relating to the 2020 Series A Bonds executed by the Successor Agency and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2020 Series A Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel,

including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; and any other cost, charge or fee in connection with the original issuance of the 2020 Series A Bonds.

"Dissolution Act" means the provisions of Assembly Bill X1 26, signed by the Governor June 28, 2011, and filed with the Secretary of State June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012 and as further amended by Senate Bill 107, signed by the Governor on September 22, 2015, and filed with the Secretary of State on September 22, 2015.

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

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Former Agency" means the Stanton Redevelopment Agency.

"Indenture" means the 2005 Bond Indenture, as heretofore supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture, and as it may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Successor Agency may designate in a certificate delivered to the Trustee.

"Interest Payment Date" means December 1, 2020, and each June 1 and December 1 thereafter so long as any of the 2020 Series A Bonds remain unpaid.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions dated \_\_\_\_\_ 1, 2020 by and between the Successor Agency and the Prior Trustee.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2020 Series A Bonds upon the negotiated sale thereof.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.
- (c) Obligations of any agency, department or instrumentality of the United States of America which are rated A or better by S&P.
- (d) Interest-bearing deposit accounts (including certificates of deposit) in federal or State of California chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (e) Commercial paper rated “A-1+” or better by S&P at the time of the purchase thereof.
- (f) Federal funds or bankers acceptances with a maximum term of one year of any bank which have an unsecured, uninsured and unguaranteed obligation rating of “A-1+” or better by S&P.
- (g) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (h) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (i) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P.
- (j) Bonds or notes issued by any state or municipality which are rated A or better by S&P.
- (k) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A.

- (l) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Prior Bonds” shall have the meaning presented to such term in the recitals hereto.

“Prior Trustee” means The Bank of New York Mellon Trust Company, N.A.

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

“Request of the Successor Agency” means a request provided in writing by an authorized officer of the Successor Agency.

“Securities Depositories” means (a) initially, DTC, and (b) any successor in interest or assignee thereto.

“Subordinate Bonds” means the 2016 Bonds.

“Tax Revenues” is defined in Section 1.01 of the 2005 Bond Indenture to mean all taxes annually allocated to the Former Agency with respect to the Project Area under the Redevelopment Law, in effect prior to the enactment of the Dissolution Act, and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all other payments, subventions and reimbursements (if any) to the Former Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations; provided, however, that Tax Revenues shall not include:

- (a) all amounts of such taxes required to be deposited into the Low and Moderate Housing Fund of the Former Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, except to the extent permitted under the Law to be applied to the payment of the principal of an interest and premium (if any) on any Parity Bonds;
- (b) all amounts payable (except to the extent subordinated to the Bonds) by the Former Agency to affected tax agencies pursuant to the Tax Sharing Agreements;
- (c) all amounts payable by the Former Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, to the extent not subordinated to the payment of principal of and interest on the Bonds; and
- (d) amounts of such taxes which are required to pay the 1993 Debt Service in such Bond Year.

Since, pursuant to the Dissolution Act, such taxes are not required to be deposited in the Low and Moderate Income Housing Fund but pursuant to the Dissolution Act are deposited in the Redevelopment Property Tax Trust Fund and there are no outstanding bonds secured by such revenues, Tax Revenues shall include such amounts. Additionally, since the 1993 Debt

Service is no longer payable, any amounts previously excluded to pay such debt service shall be deposited in the Redevelopment Property Tax Trust Fund and Tax Revenues shall include such amounts.

“2005 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Series A Bonds Refunding Fund” means the fund by such name established pursuant to the Irrevocable Refunding Instructions.

“2016 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2020 Series A Bonds” means the Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A, issued by the Successor Agency in the aggregate principal amount of \$\_\_\_\_\_ under Section 12.03.

“2020 Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 12.10.

“2020 Term Bonds” means the 2020 Bonds maturing on December 1 in each of the years \_\_\_\_ and \_\_\_\_\_. Such 2020 Bonds shall constitute “Term Bonds” for all purposes of this Indenture, subject to the provisions of Section 12.04.

**SECTION 12.02.** *Authorization and Purpose of 2020 Series A Bonds.* The Successor Agency hereby authorizes the issuance of 2020 Series A Bonds in the aggregate principal amount of \$\_\_\_\_\_ under the Redevelopment Law for the purpose of providing funds to refund the Prior Bonds. The 2020 Series A Bonds are authorized and issued under, and are subject to the terms of, this Indenture including the terms set forth in this Article. The 2020 Series A Bonds are designated the “Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A”. The Successor Agency shall execute and deliver the 2020 Series A Bonds to the Trustee and the Trustee shall authenticate and deliver the 2020 Series A Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

The 2020 Series A Bonds constitute Parity Bonds under this Indenture. All references in this Indenture to the Bonds shall apply with full force and effect to the 2020 Series A Bonds, to the extent set forth in Section 3.05.

**SECTION 12.03.** *Terms of the 2020 Series A Bonds.* The 2020 Series A Bonds are issuable in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2020 Series A Bonds has more than one maturity date. The 2020 Series A Bonds will be dated as of the Closing Date, and will mature on December 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum, as set forth in the following table:

**Maturity Date**  
**(December 1)**

**Principal**  
**Amount**

**Interest**  
**Rate**

Interest on the 2020 Series A Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a 2020 Series A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a 2020 Series A Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on any 2020 Series A Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full.

Interest on the Bonds shall be payable semi annually calculated based on a 360-day year of twelve thirty day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the Owner at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

**SECTION 12.04.**     *Redemption of 2020 Series A Bonds.*

(a) Optional Redemption. The 2020 Series A Bonds maturing on or before December 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The 2020 Series A Bonds maturing on or after December 1, 20\_\_, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20\_\_, from any available source of funds, at a redemption price equal to 100% of the principal amount of the 2020 Series A Bonds to be redeemed, without premium.

The Successor Agency shall give the Trustee written notice of its intention to redeem 2020 Series A Bonds under this subsection (a), and the manner of selecting such 2020 Series A

Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with subsection (c) of this Section.

(b) Mandatory Sinking Fund Redemption. The 2020 Series A Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of the 2020 Series A Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the 2020 Series A Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing  
December 1, 20\_\_**

<b>Sinking Account Redemption Date (December 1)</b>	<b>Principal Amount to be Redeemed</b>
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**Term Bonds Maturing  
December 1, 20\_\_**

<b>Sinking Account Redemption Date (December 1)</b>	<b>Principal Amount to be Redeemed</b>
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(c) Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail) notice of any redemption to the Owners of any 2020 Series A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2020 Series A Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the 2020 Series A Bond numbers and the maturity or maturities (in the event of redemption of all of the 2020 Series A Bonds of such maturity or maturities in whole) of the 2020 Series A Bonds to be redeemed, and must require that such 2020 Series A Bonds be then surrendered for redemption at the Office of the Trustee identified in such notice, giving notice also that further interest on such 2020 Series A Bonds will not accrue from and after the redemption date. In addition, the redemption notice shall state that the Successor Agency has the right to rescind the notice as provided in subsection (d) of this Section.

(d) Right to Rescind Notice of Redemption. The Successor Agency has the right to rescind any notice of the optional redemption of 2020 Series A Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2020 Series A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services.

(e) Manner of Redemption. Whenever provision is made in this Section 12.05 for the redemption of less than all of the 2020 Series A Bonds of the same maturity, the Trustee shall select the 2020 Series A Bonds to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purposes of such selection, all 2020 Series A Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate 2020 Series A Bonds which may be separately redeemed.

So long as the 2020 Series A Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the 2020 Series A Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the Successor Agency's intent that redemption allocations made by the Depository be made in accordance with the proportional provisions described herein. However, neither the Successor Agency nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the Successor Agency nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered 2020 Series A Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

(f) Partial Redemption of 2020 Series A Bonds. If only a portion of any 2020 Series A Bond is called for redemption, then upon surrender of such 2020 Series A Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2020 Series A Bond or 2020 Series A Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2020 Series A Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the 2020 Series A Bonds so called for redemption have been duly provided, such 2020 Series A Bonds so called shall cease to be entitled to any benefit under this Article other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the Successor Agency, the Trustee shall cancel and destroy all 2020 Series A Bonds redeemed under this Section 12.05. The provisions of this subsection (f) are of no effect in the



event any notice of the optional redemption of 2020 Series A Bonds is rescinded as provided in subsection (d) of this Section.

(h) Purchase in Lieu of Redemption. In lieu of redemption of 2020 Series A Bonds as provided in this Section 12.05, amounts held by the Trustee for such redemption shall, at the Request of the Successor Agency received by the Trustee prior to the selection of 2020 Series A Bonds for redemption, be applied by the Trustee to the purchase of 2020 Series A Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Successor Agency may in its discretion direct, but not to exceed the redemption price which would be payable if such 2020 Series A Bonds were redeemed. The aggregate principal amount of 2020 Series A Bonds of the same maturity purchased in lieu of redemption under this subsection (h) may not exceed the aggregate principal amount of 2020 Series A Bonds of such maturity which would otherwise be subject to such redemption. Any 2020 Series A Bonds so purchased in lieu of redemption shall be treated as if such 2020 Series A Bonds were redeemed, for all purposes of this Indenture.

**SECTION 12.05.**            *Book Entry System.*

(a) Original Delivery. The 2020 Series A Bonds shall be initially delivered in the form of a separate single fully registered 2020 Series A Bonds Bond (which may be typewritten) for each maturity of the 2020 Series A Bonds. Upon initial delivery, the ownership of each such 2020 Series A Bonds Bond shall be registered on the Bond Registration Books maintained by the Trustee pursuant to Section 2.08 hereof in the name of the Nominee.

Except as provided in subsection (c), the ownership of all of the Outstanding 2020 Series A Bonds shall be registered in the name of the Nominee on such Bond Registration Books.

With respect to 2020 Series A Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the 2020 Series A Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the 2020 Series A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the 2020 Series A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the 2020 Series A Bonds to be redeemed in the event the Successor Agency elects to redeem the 2020 Series A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the 2020 Series A Bonds or (v) any consent given or other action taken by the Depository as Bond Owner. The Successor Agency and the Trustee may treat and consider the person in whose name each 2020 Series A Bonds Bond is registered as the absolute owner of such 2020 Series A Bonds Bond for the purpose of payment of principal, premium, if any, and interest represented by such 2020 Series A Bonds Bond, for the purpose of giving notices of redemption and other matters with respect to such 2020 Series A Bonds Bond, for the purpose of registering transfers

of ownership of such 2020 Series A Bonds Bond, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the 2020 Series A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the 2020 Series A Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a 2020 Series A Bonds Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the 2020 Series A Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the 2020 Series A Bonds . The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the 2020 Series A Bonds other than the Bond Owners. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the 2020 Series A Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the 2020 Series A Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the execution of replacement 2020 Series A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the 2020 Series A Bonds, and by surrendering the 2020 Series A Bonds , registered in the name of the Nominee, to the Trustee on or before the date such replacement 2020 Series A Bonds are to be issued. The Depository, by accepting delivery of the 2020 Series A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the 2020 Series A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging 2020 Series A Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the 2020 Series A Bonds that they be able to obtain certificated 2020 Series A Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated 2020 Series A Bonds through the Depository. In such event, the Trustee will execute, transfer and exchange 2020 Series A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the 2020 Series A Bonds to any

Depository System Participant having 2020 Series A Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such 2020 Series A Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any 2020 Series A Bond is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such 2020 Series A Bonds Bond and all notices with respect to such 2020 Series A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository..

**SECTION 12.06.** *Form and Execution of 2020 Series A Bonds.* The 2020 Series A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Exhibit D attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Article.

The Chairman of the Successor Agency shall execute, and the Secretary of the Successor Agency shall attest each 2020 Series A Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2020 Series A Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2020 Series A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2020 Series A Bond are the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such 2020 Series A Bond any such person was not an officer of the Successor Agency.

Only those 2020 Series A Bonds bearing a certificate of authentication in the form set forth in Appendix A hereto, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such 2020 Series A Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**SECTION 12.07.** *Transfer and Exchange of 2020 Series A Bonds.*

(a) Transfer. Any 2020 Series A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2020 Series A Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2020 Series A Bonds under this Section 12.07. Whenever any 2020 Series A Bond is surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new 2020 Series A Bond or Bonds of like interest rate, maturity and aggregate principal amount. The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2020 Series A Bonds.

(b) Exchange. The 2020 Series A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2020 Series A Bonds of other authorized denominations and of the same interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2020 Series A Bonds under this subsection (b). The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2020 Series A Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 12.07, any 2020 Series A Bonds selected by the Trustee for redemption in accordance with Section 12.04, or any 2020 Series A Bonds during the period established by the Trustee for the selection of 2020 Series A Bonds for redemption.

**SECTION 12.08.** *Deposit and Application of Proceeds*. On the Closing Date, the Trustee shall apply the proceeds of the 2020 Series A Bonds in the amounts and for the respective purposes, as follows:

- (a) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the 2020 Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$\_\_\_\_\_, constituting the remainder of such proceeds, in the 2010 Series A Bonds Redemption Fund and applied in accordance with the provisions of the Irrevocable Refunding Instructions.

The Trustee may establish such temporary funds or accounts in its records as it deems appropriate to facilitate and record any of the foregoing deposits and transfers.

**SECTION 12.09.** *2020 Costs of Issuance Fund*. There is hereby established a separate fund to be known as the “2020 Costs of Issuance Fund”, to be held by the Trustee in trust. The Trustee shall disburse moneys in the 2020 Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the 2020 Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. Each such Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. On December 1, 2020, the Trustee shall transfer any amounts remaining in the 2020 Costs of Issuance Fund to the Redevelopment Property Tax Trust Fund.

**SECTION 12.10.** *Security for 2020 Series A Bonds*. The 2020 Series A Bonds shall be Parity Bonds which are secured in the manner and to the extent set forth in Article IV and the Redevelopment Law. The 2020 Series A Bonds shall be entitled to all of the benefits of this Indenture without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others. The 2020 Series A Bonds constitute “Bonds” for all purposes of Article IV relating to the deposit and application of amounts in the Debt Service Fund and the

accounts therein for the payment when due of the principal of and interest on the 2020 Series A Bonds.

**SECTION 12.11.** *Investment of Moneys in Funds.* The Trustee shall invest moneys in the funds and accounts established under this Article XII in Permitted Investments defined in Section 12.01, as specified in the Request of the Successor Agency (which Request shall be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the Successor Agency, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (g) of the definition thereof; *provided, however*, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee has received a Request of the Successor Agency designating a specific money market fund and, if no such Request of the Successor Agency is so received, the Trustee shall hold such moneys uninvested.

**SECTION 12.12.** *Continuing Disclosure.* The Successor Agency will comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the Successor Agency on the Closing Date. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the 2020 Series A Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 12.12.

**SECTION 12.13.** *Security Interest Representations.* Section 33641.5 of the Redevelopment Law provides statutory authority for pledging collateral for the payment of principal or redemption price of, and interest on, any bonds, and Section 33641.5 of the Redevelopment Law creates a continuing perfected security interest which attaches immediately to such collateral and shall be effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth in Section 33641.5, and in accordance with the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

In addition, Section 5451 of the Government Code of the State of California provides that the collateral is immediately subject to the pledge, and the pledge constitutes a lien and security interest which immediately attaches to the collateral and is effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

Based on the foregoing provisions of California law, the Successor Agency hereby warrants and represents that the Owners have a first priority perfected security interest in the Tax Revenues and other moneys that serve as collateral for the 2020 Series A Bonds in accordance with this Indenture.

**SECTION 12.14.** *Further Assurances.* The Successor Agency shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Article, and for the better assuring and confirming unto the 2020 Series A Bond Owners the rights and benefits provided in this Indenture and this Article.

**SECTION 12.15.** *Application of this Indenture to 2020 Series A Bonds.* Except as in this Article expressly provided or except to the extent inconsistent with any provision of this Article, the 2020 Series A Bonds shall be deemed to be Bonds under and within the meaning of Section 1.01, and every term and condition contained in the foregoing provisions of this Indenture shall apply to the 2020 Series A Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article. Notwithstanding the foregoing, however, the 2020 Series A Bonds shall not be deemed to be Bonds for purposes of Article II or Sections 3.01, 3.02, 3.03, 3.04, 5.11, 5.12, 5.13 and 5.14 of this Indenture.

## **ARTICLE XIII**

### **AMENDMENT OF 2005 BOND INDENTURE**

**SECTION 13.01.** *Security for 2020 Series A Bonds.* The 2020 Series A Bonds shall be Parity Debt within the meaning of such term in Section 1.01 and shall be secured in the manner and to the extent set forth in Article IV of the 2005 Bond Indenture. The Indenture, the 2020 Series A Bonds shall be secured on a parity with all other Bonds issued under the Indenture, by a first pledge of and lien on all of the Tax Revenues in the Special Fund and any other Parity Debt hereafter. The 2020 Series A Bonds shall be also equally secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the 2020 Series A Bonds. For the avoidance of doubt, the 2020 Series A Bonds are secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund to the extent set forth in the foregoing sentence on a parity basis with all refunding bonds issued by the Successor Agency, unless otherwise specified in connection with the issuance of such refunding bonds. Additionally, the Subordinate Bonds are also payable from monies on deposit in the Redevelopment Property Tax Trust Funds on a subordinate basis to the 2020 Series A Bonds and any Parity Debt.

The Successor Agency further covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds, including the 2020 Series A Bonds, on the date, at the place and in the manner provided in the Bonds. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the

Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the 2020 Series A Bonds and any Parity Debt, all amounts required to be deposited in the Special Fund pursuant to and in accordance with Section 4.02 of the Indenture, as well as any amount required to replenish the Reserve Account and subaccounts thereunder established under the Indenture, in Recognized Obligation Payment Schedules for each twelve-month period so as to enable the Orange County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund on each January 2 and June 1 all amounts required to be deposited in the Special Fund (pursuant to and accordance with Section 4.02 the Indenture), which amounts will to be used to pay debt service on the Bonds, including the 2020 Series A Bonds. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and California Department of Finance the amounts to be held by the Successor Agency in the Special Fund, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the California Health and Safety Code, that are necessary to comply with the Indenture.

The Successor Agency also covenants to calculate the amount of Tax Revenues received during each twelve-month period, as described above, to ensure that Tax Revenues are properly credited to and deposited in the Special Fund, as required by Section 4.02 of the Indenture.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2020 Series A Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one half of debt service due during each Bond Year on all Outstanding Bonds prior to June 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding December 1.

Notwithstanding anything contained in the Indenture, the Successor Agency shall not issue or incur additional Parity Debt other than Parity Debt issued or incurred solely for the purpose of refunding the 2020 Series A Bonds or any Parity Debt. The Successor Agency may incur Subordinate Debt.

**SECTION 13.02.** *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the 2020 Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of

the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the 2020 Bonds, and any Parity Debt when due.

**SECTION 13.03.** *Compliance with the Law; Recognized Obligation Payment Schedules.*

(a) The Successor Agency will take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2021, in accordance with Section 34177(0) of the Redevelopment Law. Each such Recognized Obligation Payment Schedule for the semi-annual period ending each June 30 shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (1) 100% of the amount of principal of and interest on the 2020 Bonds coming due and payable on the next succeeding June 1 and December 1,
- (2) 100% of the amount of interest on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding June 1,
- (3) 100% of the amount of principal on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding December 1,
- (4) any amount then required to replenish the full amount of the Reserve Requirements in the Reserve Accounts for the Subordinate Bonds; and
- (5) any amount then required to make payments due to the Bond Insurer in respect of any policy or reserve policy for the Subordinate Bonds.

(b) These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

## **ARTICLE XIV**

### **COVENANTS OF THE SUCCESSOR AGENCY**

**SECTION 14.01.** *Effect of this Article XIV.* The covenants set forth in this Article XIV shall supersede the covenants set forth in Section 5 of the 2005 Bond Indenture, First Supplemental Indenture and Second Supplemental Indenture.



**SECTION 14.02.** *Punctual Payment.* The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2020 Series A Bonds and Parity Debt in strict conformity with the terms of the Series 2020 Series A Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

**SECTION 14.03.** *Extension of Payment of Series 2020 Series A Bonds.* The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2020 Series A Bonds or the time of payment of any claims for interest by the purchase of such Series 2020 Series A Bonds or by any other arrangement, and in case the maturity of any of the Series 2020 Series A Bonds or the time of payment of any such claims for interest shall be extended, such Series 2020 Series A Bonds 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 all of the Outstanding Series 2020 Series A Bonds and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Successor Agency to issue bonds for the purpose of refunding any Outstanding Series 2020 Series A Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2020 Series A Bonds.

**SECTION 14.04.** *Payment of Claims.* The Successor Agency shall pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds held by the Trustee pursuant hereto, or which might impair the security of the Series 2020 Series A Bonds or any Parity Debt. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

**SECTION 14.05.** *Books and Accounts; Financial Statements.* The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City of Stanton, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2020 Series A Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared and delivered to the Trustee and the Insurer annually, within two hundred and ten (210) days after the close of each Fiscal Year so long as any of the Series 2020 Series A Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Tax Revenues, all disbursements from the Redevelopment Obligation Retirement Fund and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall furnish

a copy of such statements to any Owner upon reasonable request and at the expense of such Owner.

**SECTION 14.06.** *Payments of Taxes and Other Charges.* The Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

**SECTION 14.07.** *Disposition of Property.* Except as otherwise required by the Dissolution Act, the Successor Agency will not participate in the disposition of any land or real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of this Indenture) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Fiscal Consultant to report on the effect of said proposed disposition. If the report of the Independent Fiscal Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially adversely impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If such report concludes that such security will be materially adversely impaired by the proposed disposition, the Successor Agency shall not approve the proposed disposition.

**SECTION 14.08.** *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the Series 2020 Series A Bonds, amounts owing to the Insurer hereunder, and any Parity Debt when due.

**SECTION 14.09.** *Tax Covenants Relating to the 2020 Series A Bonds.*

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2020 Series A Bonds are not so used as to cause 2020 Series A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2020 Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2020 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2020 Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2020 Series A Bonds from the gross income of the Owners of the 2020 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of 2020 Series A Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2020 Series A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.10.

**SECTION 14.10.** *Notice of Insufficiency.* The Successor Agency covenants that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund on the upcoming July 1 or January 2, as applicable, is insufficient to pay debt service on the 2020 Series A Bonds, to pay debt service on any Parity Bonds and to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement.

**SECTION 14.11.** *Further Assurances.* The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

## ARTICLE XV

### MISCELLANEOUS PROVISIONS

**SECTION 15.01.** *Benefits Limited to Parties.* Nothing in this Third Supplemental Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners of the 2020 Series A Bonds, any right, remedy, claim under or by reason of this Third Supplemental Indenture. Any covenants, stipulations, promises or agreements in this Third Supplemental Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners of the 2020 Series A Bonds.

**SECTION 15.02.** *Reliance on Facsimiles.* The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**SECTION 15.03.** *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 15.04.** *Governing Law.* This Third Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California.

**SECTION 15.05.** *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Third Supplemental Indenture is for any reason held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Third Supplemental Indenture. The Successor Agency hereby declares that it would have entered into this Third Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2020 Series A Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Third Supplemental Indenture may be held illegal, invalid or unenforceable.

**SECTION 15.06.** *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 15.07.** *Effect of Amendment.* In the event of any contradicting provisions between this Third Supplemental Indenture, and the 2005 Bond Indenture, First Supplemental Indenture and the Second Supplemental Indenture, the provisions of this Third Supplemental Indenture shall govern.

*(Signature page follows)*

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Third Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE  
STANTON REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

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

*-Signature Page-  
Third Supplement to  
Indenture of Trust*

**APPENDIX A**

**EXHIBIT D TO INDENTURE  
FORM OF 2020 SERIES A BOND**

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

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

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE  
STANTON REDEVELOPMENT AGENCY**

**TAX ALLOCATION REFUNDING BOND, 2020 SERIES A**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
____%	December 1, 20__	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), as successor to the Stanton Redevelopment Agency (the "Former Agency") 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 identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money, such interest to be payable semiannually on June 1 and December 1 in each year, commencing [December 1, 2020] (the "Interest Payment Dates") until payment of such Principal Amount in full. Interest on this Bond is payable from the Interest Payment Date next preceding the date of authentication of this Bond, unless: (a) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15<sup>th</sup> calendar day of the preceding month (a "Record Date"), in which event it will bear interest from such Interest Payment Date, (b) this Bond is authenticated on or before [November 15, 2020], in which event interest hereon will be payable from the Original Issue Date identified above, or (c) interest on this Bond is in default as of the date of authentication hereof, in which event interest hereon will be payable from the date to which interest has been paid in full.

The Principal Amount hereof is payable upon presentation hereof at the corporate office of U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check

of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the Request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which Request is on file with the Trustee prior to the Record Date immediately preceding any date, interest on such Bonds shall be paid on such Interest Payment Date by wire transfer to such account within the United States of America as shall be specified in such Request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A” (the “Bonds”) of an aggregate principal amount of \$\_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 33000 of said Code (the “Redevelopment Law”). The Bonds have been authorized under an Indenture of Trust dated as of July 1, 2005, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented (as so amended and supplemented, the “Indenture”). The Bonds have been authorized to be issued by the Successor Agency under a resolution of the Successor Agency adopted on March 24, 2020. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Tax Revenues. The Successor Agency may issue additional obligations on a parity with the Bonds under and in accordance with the Indenture to refund the Bonds and other parity debt by the First Supplement to the Indenture of Trust dated as of October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., the Second Supplement to the Indenture of Trust dated as of March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A. and the Third Supplement to the Indenture of Trust dated as of September 1, 2020 by and between the Successor Agency and U.S. Bank National Association. As and to the extent set forth in the Indenture, all of the Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, the Redevelopment Law and the Dissolution Act, to the payment of the principal of and interest on the Bonds and any such parity obligations. Notwithstanding the foregoing, certain amounts out of Tax Revenues may be applied for other purposes as provided in the Indenture.

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



The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on or before December 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after December 1, 20\_\_, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20\_\_, from any available source of funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium.

The Bonds maturing on December 1 in each of the years \_\_\_\_ and \_\_\_\_ are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of such Bonds have been redeemed under the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing  
December 1, 20\_\_**

<b>Sinking Account Redemption Date (December 1)</b>	<b>Principal Amount to be Redeemed</b>
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**Term Bonds Maturing  
December 1, 20\_\_**

<b>Sinking Account Redemption Date (December 1)</b>	<b>Principal Amount to be Redeemed</b>
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As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon. Any notice so given by the Trustee may be rescinded under the circumstances and with the effect set forth in the

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

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

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate Office of the Trustee in Los Angeles, California, or such other place as designated by 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 registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of

Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman and its facsimile seal impressed hereon and

attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE  
STANTON REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

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

Dated: \_\_\_\_\_

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

By: \_\_\_\_\_  
Authorized Signatory

**FORM OF ASSIGNMENT**

For value received the undersigned do(es) hereby sell, assign and transfer unto\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

## **IRREVOCABLE REFUNDING INSTRUCTIONS**

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “Instructions”), dated as of September 1, 2020, are given by the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), as successor agency to the STANTON REDEVELOPMENT AGENCY (the “Former Agency”), to U.S. BANK NATIONAL ASSOCIATION, as successor trustee to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee (the “Trustee”) for the hereinafter defined Prior Bonds;

### **WITNESSETH:**

**WHEREAS**, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the “2005 Series A Bonds”) under the Indenture of Trust dated as of July 1, 2005 (the “2005 Bond Indenture”) between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the “2005 Series B Bonds,” collectively with the 2005 Series A Bonds, the “2005 Bonds”) under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the “2010 Bonds”) under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the “First Supplemental Indenture”); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the “2011 Bonds”), under the 2005 Bond Indenture, as supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the “Second Supplemental Indenture,” collectively with the 2005 Bond Indenture and the First Supplemental Indenture, the “Indenture”); and

**WHEREAS**, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (“AB 26”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Indenture and related documents to which the Former Agency was a party; and

**WHEREAS**, Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

**WHEREAS**, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee in order to refund the 2005 Bonds; and

**WHEREAS**, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

**WHEREAS**, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the outstanding 2010 Bonds (the “Prior Bonds”); and

**WHEREAS**, in order to provide funds for such purpose, the Successor Agency is issuing Stanton Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2020 Series A (the “2020 Series A Bonds”) and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem the outstanding Prior Bonds; and

**WHEREAS**, the 2020 Series A Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2020, (the “2020 Indenture”) between the Successor Agency and U.S. Bank National Association, as successor trustee; and

**WHEREAS**, the Successor Agency wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of a portion of the outstanding Prior Bonds.

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

**Section 1. Establishment of the Prior Refunding Fund.** The Trustee shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the “2010 Series A Bonds Refunding Fund” (the “Refunding Fund”). All amounts on deposit in the Refunding Fund are hereby irrevocably pledged as a special trust fund for the redemption of

the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on \_\_\_\_\_, 2020. Neither the Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Refunding Fund, and such amounts shall be applied only as provided herein.

**Section 2. Deposit into the Prior Bonds Refunding Fund; Investment of Amounts.** Concurrently with delivery of the 2020 Series A Bonds, the Successor Agency shall cause to be deposited in the Refunding Fund the amount of \$\_\_\_\_\_ in immediately available funds which represents \$\_\_\_\_\_ on hand in the funds and accounts relating to the Prior Bonds and \$\_\_\_\_\_ of 2020 Series A Bonds proceeds. The Successor Agency hereby directs the Trustee to hold all amounts as uninvested cash.

The Successor Agency signifies that by making the deposit described herein, it is discharging a portion of the outstanding Prior Bonds pursuant to Sections 9.03 of the Indenture.

**Section 3. Proceedings for Redemption of Prior Bonds.** The Successor Agency hereby irrevocably elects, and directs the Trustee, to redeem, on \_\_\_\_\_ 1, 2020, from amounts on deposit in the Refunding Fund, the outstanding Prior Bonds pursuant to the provisions of the Indenture. The Trustee acknowledges it has given notice of such redemption in accordance with the Indenture, and in substantially similar form as set forth in Exhibit A attached hereto, in order to allow for the redemption of the Prior Bonds on \_\_\_\_\_ 1, 2020.

**Section 4. Application of Funds to Redeem 2005 Series B Bonds.** The Trustee shall apply the amounts on deposit in the Refunding Fund to redeem the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on \_\_\_\_\_ 1, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Indenture.

**Section 5. Transfer of Remaining Funds.** Any amounts on deposit in the Refunding Fund shall be used for the purpose of paying interest on and the principal of any outstanding Prior Bonds pursuant to the Indenture. Any amounts on deposit in the Refunding Fund or any other funds and accounts related to the Prior Bonds following redemption or defeasance of the Outstanding Prior Bonds shall be transferred to the Interest Account established under the Indenture to be used solely for the purpose of paying interest on the 2020 Series A Bonds.

**Section 6. Amendment.** These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Prior Bonds or the 2020 Series A Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

**Section 7. Application of Certain Terms of the Indenture.** All of the terms of the Indenture relating to the payment of principal of and interest and repayment premium, if any, on the 2005 Series B Bonds and the redemption thereof, and the protections, immunities and



limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

**Section 8. Counterparts.** These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

*[Signature page follows]*

**Section 9. Governing Law.** These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE STANTON  
REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
David J. Shawver  
Chairman

ACCEPTED:

**U.S. BANK NATIONAL ASSOCIATION,**  
as successor trustee

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

*-Signature Page-  
Irrevocable Refunding Instructions  
Series B*

**Schedule 1**

**BONDS TO BE REDEEMED**

**Maturity Date**  
**(December 1)**

**Principal Amount**

**CUSIP**  
**(Base CUSIP 854733)**

Schedule-1

**EXHIBIT A**

**FORM OF NOTICE OF REDEMPTION  
CONDITIONAL NOTICE OF OPTIONAL REDEMPTION**

**STANTON REDEVELOPMENT AGENCY  
STANTON CONSOLIDATED REDEVELOPMENT PROJECT  
TAX ALLOCATION BONDS, 2010 SERIES A**

<b>Maturity Date (December 1)</b>	<b><u>Interest Rate</u></b>	<b><u>Par Value</u></b>	<b><u>CUSIP</u></b>
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NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “**Bonds**”) of the Stanton Redevelopment Agency (the “**Agency**”) in accordance with that certain Indenture of Trust, dated as of July 1, 2005, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as succeeded in interest by U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010 pursuant to which such Bonds were issued, that all of the outstanding 2010 Series A Bonds, in the principal amount

of \$\_\_\_\_\_ have been called for redemption on \_\_\_\_\_, 2020 (the “**Redemption Date**”), subject to the provisions of the succeeding paragraphs of this notice, and pursuant to the provisions of the governing documents of the Bonds.

This Conditional Notice of Optional Redemption, and the payment of the principal of and interest on the Bonds on the specified Redemption Date, is subject to the receipt of funds resulting from the sale of the Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A, which bonds are expected to be issued and delivered prior to the Redemption Date, in an amount sufficient to pay in full the redemption price and accrued interest of all of the Bonds on the Redemption Date.

In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this Conditional Notice of Optional Redemption had not been given. Notice of failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail to the registered holders of the Bonds.

Owners of the Bonds should surrender said Bonds on the redemption date at the following address:

By Mail, Hand or Overnight:

Delivery Instructions:

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

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

For a list of redemption requirements please visit our website at [www.usbank.com/corporatetrust](http://www.usbank.com/corporatetrust) and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at **1-800-934-6802** Monday through Friday from 8 A.M. to 6 P.M. CST.

**IMPORTANT NOTICE.** Under the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”), the Trustee may be obligated to withhold 30% of the redemption price from any Bond holder who has failed to furnish the Trustee with a valid taxpayer identification number and a certification that such Bond holder is not subject to backup withholding under the Act. Bond holders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

Neither the Successor Agency to the Stanton Redevelopment Agency nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its corrections indicated in this Conditional Notice of Optional Redemption. It is included solely for convenience of the owners of the Bonds.

DATED: \_\_\_\_\_, 2020

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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SOURCES AND USES OF FUNDS

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Sources:

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Bond Proceeds:

Par Amount	8,195,000.00
Premium	<u>1,515,980.95</u>
	9,710,980.95

Other Sources of Funds:

Debt Service Fund	673,959.40
Debt Service Reserve Fund	<u>1,134,906.00</u>
	1,808,865.40

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11,519,846.35

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Uses:

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Refunding Escrow Deposits:

Cash Deposit	0.77
SLGS Purchases	<u>11,300,497.00</u>
	11,300,497.77

Delivery Date Expenses:

Cost of Issuance	156,000.00
Underwriter's Discount	<u>61,462.50</u>
	217,462.50

Other Uses of Funds:

Additional Proceeds	1,886.08
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11,519,846.35

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Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020  
Interest Rates as of March 12, 2020

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SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Dated Date	09/03/2020
Delivery Date	09/03/2020
Arbitrage yield	2.315401%
Escrow yield	0.668902%
Value of Negative Arbitrage	45,055.33
Bond Par Amount	8,195,000.00
True Interest Cost	2.629243%
Net Interest Cost	2.936216%
Average Coupon	5.000000%
Average Life	8.600
Par amount of refunded bonds	11,085,000.00
Average coupon of refunded bonds	4.365686%
Average life of refunded bonds	8.056
PV of prior debt to 09/03/2020 @ 2.315401%	12,819,028.17
Net PV Savings	1,143,279.77
Percentage savings of refunded bonds	10.313755%
Percentage savings of refunding bonds	13.950943%

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020  
Interest Rates as of March 12, 2020



SAVINGS

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/03/2020 @ 2.3154009%
12/01/2020	673,959.38	673,959.40	-0.02		-0.02	-3,781.98
12/01/2021	900,318.76		900,318.76	729,911.11	170,407.65	164,696.40
12/01/2022	909,006.26		909,006.26	738,750.00	170,256.26	161,876.43
12/01/2023	1,131,193.76		1,131,193.76	916,750.00	214,443.76	199,195.44
12/01/2024	1,127,593.76		1,127,593.76	915,000.00	212,593.76	192,974.64
12/01/2025	1,127,993.76		1,127,993.76	917,000.00	210,993.76	187,156.67
12/01/2026	1,132,193.76		1,132,193.76	917,500.00	214,693.76	186,095.41
12/01/2027	1,134,993.76		1,134,993.76	921,500.00	213,493.76	180,838.70
12/01/2028	1,130,343.76		1,130,343.76	918,750.00	211,593.76	175,142.52
12/01/2029	1,128,368.76		1,128,368.76	914,500.00	213,868.76	172,982.76
12/01/2030	1,134,906.26		1,134,906.26	923,750.00	211,156.26	166,890.98
12/01/2031	709,531.26		709,531.26	575,750.00	133,781.26	103,353.99
12/01/2032	713,400.00		713,400.00	578,250.00	135,150.00	102,018.53
12/01/2033	715,881.26		715,881.26	584,500.00	131,381.26	96,902.40
12/01/2034	716,975.00		716,975.00	584,250.00	132,725.00	95,649.91
12/01/2035	716,681.26		716,681.26	582,750.00	133,931.26	94,306.88
	15,103,340.76	673,959.40	14,429,381.36	11,718,911.11	2,710,470.25	2,276,299.69

Savings Summary

PV of savings from cash flow	2,276,299.69
Less: Prior funds on hand	-1,134,906.00
Plus: Refunding funds on hand	1,886.08
Net PV Savings	1,143,279.77

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020  
Interest Rates as of March 12, 2020

BOND PRICING

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Serial Bonds:								
	12/01/2021	220,000	5.000%	1.660%	104.094			
	12/01/2022	340,000	5.000%	1.720%	107.188			
	12/01/2023	535,000	5.000%	1.800%	110.038			
	12/01/2024	560,000	5.000%	1.850%	112.798			
	12/01/2025	590,000	5.000%	1.910%	115.347			
	12/01/2026	620,000	5.000%	2.030%	117.333			
	12/01/2027	655,000	5.000%	2.160%	118.947			
	12/01/2028	685,000	5.000%	2.280%	120.334			
	12/01/2029	715,000	5.000%	2.330%	122.086			
	12/01/2030	760,000	5.000%	2.380%	123.690			
	12/01/2031	450,000	5.000%	2.430%	123.179 C	2.608%	12/01/2030	100.000
	12/01/2032	475,000	5.000%	2.480%	122.670 C	2.800%	12/01/2030	100.000
	12/01/2033	505,000	5.000%	2.530%	122.163 C	2.964%	12/01/2030	100.000
	12/01/2034	530,000	5.000%	2.580%	121.659 C	3.106%	12/01/2030	100.000
	12/01/2035	555,000	5.000%	2.600%	121.459 C	3.209%	12/01/2030	100.000
		8,195,000						

Dated Date	09/03/2020	
Delivery Date	09/03/2020	
First Coupon	06/01/2021	
Par Amount	8,195,000.00	
Premium	1,515,980.95	
Production	9,710,980.95	118.498852%
Underwriter's Discount	-61,462.50	-0.750000%
Purchase Price	9,649,518.45	117.748852%
Accrued Interest		
Net Proceeds	9,649,518.45	

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020  
Interest Rates as of March 12, 2020

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BOND DEBT SERVICE

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2021	220,000	5.000%	509,911.11	729,911.11
12/01/2022	340,000	5.000%	398,750.00	738,750.00
12/01/2023	535,000	5.000%	381,750.00	916,750.00
12/01/2024	560,000	5.000%	355,000.00	915,000.00
12/01/2025	590,000	5.000%	327,000.00	917,000.00
12/01/2026	620,000	5.000%	297,500.00	917,500.00
12/01/2027	655,000	5.000%	266,500.00	921,500.00
12/01/2028	685,000	5.000%	233,750.00	918,750.00
12/01/2029	715,000	5.000%	199,500.00	914,500.00
12/01/2030	760,000	5.000%	163,750.00	923,750.00
12/01/2031	450,000	5.000%	125,750.00	575,750.00
12/01/2032	475,000	5.000%	103,250.00	578,250.00
12/01/2033	505,000	5.000%	79,500.00	584,500.00
12/01/2034	530,000	5.000%	54,250.00	584,250.00
12/01/2035	555,000	5.000%	27,750.00	582,750.00
	8,195,000		3,523,911.11	11,718,911.11

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020

Interest Rates as of March 12, 2020

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, 2010 Series A:					
SERIAL	12/01/2020	4.000%	440,000.00		
	12/01/2021	3.625%	450,000.00	12/01/2020	100.000
	12/01/2022	3.750%	475,000.00	12/01/2020	100.000
	12/01/2023	4.000%	715,000.00	12/01/2020	100.000
	12/01/2024	4.000%	740,000.00	12/01/2020	100.000
	12/01/2025	4.000%	770,000.00	12/01/2020	100.000
	12/01/2026	4.000%	805,000.00	12/01/2020	100.000
	12/01/2027	4.125%	840,000.00	12/01/2020	100.000
TERM03D	12/01/2030	4.250%	2,725,000.00	12/01/2020	100.000
TERM02A	12/01/2035	4.625%	3,125,000.00	12/01/2020	100.000
			11,085,000.00		

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020  
Interest Rates as of March 12, 2020

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ESCROW REQUIREMENTS

Successor Agency to the Stanton Redevelopment Agency  
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2020	440,000.00	233,959.38	10,645,000.00	11,318,959.38
	440,000.00	233,959.38	10,645,000.00	11,318,959.38

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020

Interest Rates as of March 12, 2020