



OROVILLE CITY COUNCIL
Council Chambers, 1735 Montgomery Street

SPECIAL MEETING
MARCH 31, 2015
5:30 P.M.
AGENDA

ROLL CALL

Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

PLEDGE OF ALLEGIANCE

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

SPECIAL BUSINESS

1. OROVILLE SUSTAINABLE CODE UPDATE- staff report

The Council will conduct a public hearing to review and consider the proposed Oroville Sustainable Code updates and certification of the Final Supplemental Environmental Impact Report. (**Donald Rust, Director of Community Development and Luis Topete, Associate Planner**)

Council Action Requested: **Adopt Resolution No. 8344 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING ALL PROPOSED NEW AND AMENDED DOCUMENTS, COLLECTIVELY KNOWN AS THE “OROVILLE SUSTAINABLE CODE UPDATES,” CERTIFYING THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT, ADOPTING THE AMENDED FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS, ADOPTING THE AMENDED MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZING THE EXPENDITURE FOR THE FILING OF THE NOTICE OF DETERMINATION.**

2. AGREEMENT WITH TRENT CONSTRUCTION FOR THE CHINESE TEMPLE REPAIRS AND CONSERVATION WORK PROJECT - staff report

The Council may consider an Agreement with the lowest responsible bidder, Trent Construction, in the amount of \$487,933, for the Chinese Temple Repairs and Conservation Work Project. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested:

1. **Adopt Resolution No. 8345 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE LOWEST RESPONSIBLE BIDDER, TRENT CONSTRUCTION, IN THE AMOUNT OF \$487,933. FOR THE CHINESE TEMPLE REPAIRS AND CONSERVATION PROJECT – (Agreement No. 3117).**
2. **Authorize a 5% contingency, not to exceed \$24,397, for the Chinese Temple Repairs and Conservation Work Project.**
3. **Approve Supplemental Appropriation No2014/15-0331-XX indicated in this staff report, dated March 31, 2015.**

SUCCESSOR AGENCY

3. **AUTHORITY OF ACTING EXECUTIVE DIRECTOR TO SIGN DOCUMENTS AND TAKE ACTIONS TO ISSUE THE 2015 BONDS - staff report**

The Successor Agency Board may consider authorizing the Acting Executive Director to execute documents and take other actions necessary or proper, to accomplish the issuance of the Successor Agency's Oroville Redevelopment Project No. 1 2015 Tax Allocation Refunding Bonds. **(Ruth Wright, Director of Finance)**

Commission Action Requested: **Adopt Resolution No. 15-06 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SIGN DOCUMENTS AND TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE 2015 BONDS.**

CLOSED SESSION

1. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the appointment, and/or employment of a public employee related to the following position: City Administrator.
2. Pursuant to Government Code section 54956.9(d), the Council will meet with the City Administrator and the City Attorney regarding potential litigation – one case.
3. Pursuant to Government Code Section 54956.8, the Council will meet with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.

ADJOURNMENT

The meeting will be adjourned to a special meeting of the Oroville City Council to be held on Tuesday, April 6, 2015 at 4:00 p.m.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: OROVILLE SUSTAINABLE CODE UPDATES

DATE: MARCH 31, 2015

SUMMARY

The Council will conduct a public hearing to review and consider the proposed Oroville Sustainable Code Updates and certification of the Final Supplemental Environmental Impact Report (FSEIR).

The new/amended documents collectively referred to as the "Oroville Sustainable Code Updates," includes updates to the City's Zoning Ordinance to bring it into conformance with the 2030 General Plan, changes to the Zoning Map to bring it into conformance with the City's 2030 General Plan land use designations, adding a chapter on low-impact development and resource-efficient design to the City's Design Guidelines, a new Climate Action Plan (CAP), a new Balanced Mode Circulation Plan (BMCP), targeted updates to the 2030 General Plan to strengthen the environmental, community, and economic sustainability of Oroville, and other updates to the Oroville Municipal Code, including revisions to the solar energy ordinance, local and healthy food amendments, development incentives for community benefits, inclusion of Crime Prevention Through Environmental Design (CPTED) principles, park provision standards, and a new oak tree loss mitigation ordinance.

BACKGROUND

The City of Oroville adopted the Oroville 2030 General Plan on June 2, 2009. Since that time, the City has been proceeding with several key steps to implement the updated General Plan through various efforts including this sustainable code update.

On January 3, 2012, the Council authorized City staff to apply for the Strategic Growth Council's (SGC) 2nd round of Planning Grants. The grant is being funded by The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (or Proposition 84). Round 2 appropriated \$90 million for State Planning Grants. On February 15, 2012, the City successfully submitted its grant application. On July 1, 2012, the City was notified that its grant application was awarded \$390,000 by the State Strategic Growth Council.

CC-1

On October 3, 2012, the Request for Proposal (RFP) was made public for the grant work that was awarded. On November 26, 2012, the City received five proposals from the following planning consultant firms: Atkins, PMC, AECOM, The Planning Institute, and The Planning Center DC&E. Of the five consultants, three were interviewed on February 7, 2013. On March 5, 2013, the Oroville City Council adopted Resolution No. 8044 authorizing the City Administrator to execute an agreement on behalf of the City with PlaceWorks (formerly the Planning Center DC&E) for contract planning services for the work associated with the City awarded SGC Planning Grant.

COMMUNITY OUTREACH

In an effort to make this an inclusive process, the following community outreach efforts have taken place:

Date	Time	Location	Audience
09/25/2013	6:00pm to 8:00pm	Centennial Cultural Center at 1931 Arlin Rhine Memorial Dr	Community-Wide Meeting
10/16/2013	8:00am to 9:00am	Bird Street Café International Room at 1435 Myers St	Oroville Downtown Business Association
12/10/2013	10:00am to 11:00am	Lake Oroville Visitors Center at 917 Kelly Ridge Rd	Tourism Committee
03/18/2014	9:00am to 12:00pm	Tahoe Room at 202 Mira Loma Dr	Mobile 4 Health Work Group of the Greater Oroville Area
04/16/2014	8:00am to 9:00am	Bird Street Café International Room at 1435 Myers St	Oroville Downtown Business Association
05/22/2014	4:00pm to 8:30pm	Centennial Cultural Center at 1931 Arlin Rhine Memorial Dr	1 st Community-Wide Public Scoping Meeting for the SEIR
06/19/2014	4:00pm to 7:00pm	Centennial Cultural Center at 1931 Arlin Rhine Memorial Dr	2 nd Community-Wide Public Scoping Meeting for the SEIR

On February 27, 2015, the City held a joint City Council / Planning Commission workshop to review the draft documents that were out for public review as part of the Oroville Sustainable Code Update. The consultant and City staff presented an overview of the information contained in all the proposed documents and answered questions. A summary of the edits to each document suggested by the Councilmembers and/or Commissioners at this meeting are identified in **(Attachment J)**.

Press releases have been sent out regarding community-wide meetings and availability of draft documents. The draft documents have been placed on the City's website and several reviewing agencies have received notice of the completion of the environmental document with a copy of the Draft SEIR transmitted for review and comments **(Attachment L)**.

COMMENTS RECEIVED

The public drafts of all documents have been prepared and were made public on Friday, January 30, 2015 on which the Draft SEIR forty five (45) day public review period began, ending on Monday, March 16, 2015. During the 45 day public review period the City received two (2) separate comments from:

- (1) Central Valley Regional Water Quality Control Board; and
- (2) California Department of Transportation (Caltrans) District #3.

The comment letters and City responses are found in Final SEIR which has been provided to the two commenting agencies (**Attachment I**).

ENVIRONMENTAL REVIEW

The adopted Oroville 2030 General Plan was reviewed according to the California Environmental Quality Act (CEQA) statute and guidelines. A programmatic Draft Environmental Impact Report (2008 Draft EIR) was completed on March 31, 2008, sent to the State Clearinghouse, and reviewed by local, State, and federal agencies and the general public during the review period. A Final EIR including responses to comments was published on March 31, 2009. The Final EIR was certified by the Oroville City Council on June 2, 2009 (2009 EIR).

The Oroville Sustainable Code Updates must also be reviewed according to the CEQA statute and guidelines. CEQA guidelines §15162 and §15163 contain provisions regarding Supplemental EIRs, and when they may be used in place of a full EIR or Subsequent EIR. According to CEQA guideline §15162, a Subsequent EIR shall be prepared if changes are made to a project following certification of an EIR. According to CEQA guideline §15163, a Supplemental EIR may be prepared in lieu of a Subsequent EIR if only minor changes would be needed to make the previous EIR adequately apply to the revised project. The changes contained in the Oroville Sustainable Code Updates do not significantly change the analysis of the 2030 General Plan in the 2009 EIR. Therefore, an EIR has been prepared as a Supplemental EIR (SEIR).

The purpose of the SEIR is to inform the general public and decision makers of any changes to the environmental impacts of the 2030 General Plan caused by the 2030 General Plan (the "Approved Project" in this SEIR), in combination with the Oroville Sustainable Code Updates ("Modified Project" in this SEIR). The SEIR looks at the differences between the Modified Project and the Approved Project and evaluates whether the impacts would be increased or reduced, and how they would differ. Baseline conditions and regulatory information that were reported in the 2008 Draft EIR are updated as appropriate in the SEIR; the baseline also now includes the adopted 2030 General Plan. Where new impacts and mitigation measures are listed, they are numbered sequentially to the numbering in the 2009 EIR.

Some environmental regulations and guidelines have changed since the original EIR was prepared. In May 2010, new CEQA guidelines were adopted, including more specific questions for analysis of greenhouse gas (GHG) emissions and a new question regarding forestland conversion, among others. Therefore, the SEIR updates the thresholds to reflect the current CEQA guidelines, although only the changes between the Approved and Modified Project are evaluated against these thresholds, as discussed above.

As a Program EIR, the SEIR is not project-specific. It does not evaluate the impacts of specific projects that may be proposed under the 2030 General Plan and Oroville Sustainable Code Updates. Such projects will require separate environmental review to secure the necessary discretionary development permits. While future environmental review may be tiered off the SEIR, the SEIR is not intended to address impacts of individual projects.

FISCAL IMPACT

The work is primarily being funded by The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, or Proposition 84, of which the City was awarded \$390,000 by the state Strategic Growth Council. The consultant's agreement with the City for the completion of the work is in an amount not to exceed \$329,321, of which \$318,004 is being paid for by the grant. The remaining \$11,317 has been approved by the City Council for payment through the General Fund (Resolution No. 8250 and 8324) for additional services requested by the City outside the original scope of work.

Pursuant to Public Resources Code Section 21089, and as defined by the Fish and Wildlife Code Section 711.4, \$3,119.75 (\$3,069.75 Filing Fees + \$50 County Clerk Process Fee) are payable by the project applicant (City of Oroville) to file the Notice of Determination with Butte County within five working days of approval of this project by the City Council. This will be a \$3,119.75 impact to the General Fund.

RECOMMENDATION

Adopt Resolution No. 8344 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING ALL PROPOSED NEW AND AMENDED DOCUMENTS, COLLECTIVELY KNOWN AS THE "OROVILLE SUSTAINABLE CODE UPDATES," CERTIFYING THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT, ADOPTING THE AMENDED FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS, ADOPTING THE AMENDED MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZING THE EXPENDITURE FOR THE FILING OF THE NOTICE OF DETERMINATION.

ATTACHMENTS

- A – Resolution No. 8344
- B – Oroville 2030 General Plan
- C – Climate Action Plan
- D – Balanced Mode Circulation Plan
- E – Design Guidelines
- F – Municipal Code Updates
- G – Zoning Map Updates
- H – Draft Supplemental Environmental Impact Report
- I – Final Supplemental Environmental Impact Report
- J – City Council and Planning Commission Comments from 2/27/15 Workshop
- K – Planning Commission Recommended Changes 03/23/15
- L – Notice of Completion & Environmental Document Transmittal
- M – Newspaper Notice

**CITY OF OROVILLE
RESOLUTION NO. 8344**

A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING ALL PROPOSED NEW AND AMENDED DOCUMENTS, COLLECTIVELY KNOWN AS THE “OROVILLE SUSTAINABLE CODE UPDATES,” CERTIFYING THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT, ADOPTING THE AMENDED FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS, ADOPTING THE AMENDED MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZING THE EXPENDITURE FOR THE FILING OF THE NOTICE OF DETERMINATION

WHEREAS, Section 65300 of the Government Code of the State of California authorizes cities to prepare long-range comprehensive guides known as general plans; and

WHEREAS, the current City of Oroville 2030 General Plan was reviewed and adopted in 2009 according to the California Environmental Quality Act (CEQA) statute and guidelines; and

WHEREAS, the Final Environmental Impact Report (EIR) for the City’s current General Plan was certified by the City Council on June 2, 2009; and

WHEREAS, CEQA guidelines Section 15162 and Section 15163 contain provisions regarding Supplemental EIRs and when they may be used in place of a full EIR or Subsequent EIR; and

WHEREAS, according to CEQA guideline Section 15163, a Supplemental EIR may be prepared in lieu of a Subsequent EIR if only minor changes would be needed to make the previous EIR adequately apply to the revised project; and

WHEREAS, the changes contained in the project identified as the “Oroville Sustainable Code Updates” do not significantly change the analysis of the 2030 General Plan in the 2009 EIR; and

WHEREAS, the City of Oroville, as lead agency under CEQA Section 21067, has prepared a Draft and Final Supplemental EIR for consideration to update the City’s General Plan (the “Approved Project” in the Supplemental EIR), in combination with the Oroville Sustainable Code Updates (the “Modified Project” in the Supplemental EIR); and

WHEREAS, the City’s Housing Element of the General Plan was previously adopted by the City Council in 2014 for the 2014-2022 Planning Period and shall remain in full force and effect; and

WHEREAS, all proposed amendments (2030 General Plan; Design Guidelines; Municipal Code Updates; Zoning Map) and new documents (Balanced Mode Circulation

Plan; Climate Action Plan) collectively referred to as the "Oroville Sustainable Code Updates" were circulated for a 45-day review period along with the Supplemental EIR from January 30, 2015 to March 15, 2015; and

WHEREAS, comments received during the public review period were addressed and responses prepared as required by CEQA and a Final Supplemental EIR was prepared for the project; and

WHEREAS, the responses to comments received on the Draft Supplemental EIR were forwarded to the person or agency that made the comments prior to the certification of the Final Supplemental EIR; and

WHEREAS, at a noticed public hearing, the City Council considered the comments and concerns of public agencies, property owners, and members of the public who are potentially affected by the approval of the project described herein, and also considered the City's staff report regarding the project.

BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Oroville City Council has independently reviewed and evaluated the CEQA Findings of Fact and the Statement of Overriding Considerations referenced and attached to this resolution as Exhibit A, and has determined that the Final Supplemental EIR for the Oroville Sustainable Code Updates identifies significant environmental effects associated with this project that will remain significant and unavoidable despite the adoption of all feasible mitigation measures.
2. The information and analysis contained in the Final Supplemental EIR reflects the City's independent judgment as to the environmental consequences of the proposed project.
3. The City Council finds that the Final Supplemental EIR has been completed in compliance with the CEQA statute and guidelines.
4. The City Council, having final approval authority over the project, hereby adopts and certifies as complete and adequate the Final Supplemental EIR, which reflects the City Council's independent judgment and analysis.
5. The City Council hereby adopts the evidence set forth in the amended Findings of Fact and Statement of Overriding Considerations (attached and incorporated as Exhibit A), the staff reports, the Final Supplemental EIR, the evidence and testimony presented, and other information in the record, and has determined that specific economic, social, technical or other considerations render significant effects acceptable, as permitted by CEQA Section 21081 and CEQA Guideline Section 15093.
6. The City Council hereby adopts the amended Mitigation Monitoring and Reporting Plan as specified in the Supplemental EIR. The Council finds that

these mitigation measures are fully enforceable conditions.

7. The City Council hereby authorizes the expenditure of \$3,119.75 from the General Fund to file the Notice of Determination with Butte County within five working days of approval of this project by the Council.
8. The City Council hereby adopts all proposed amendments (2030 General Plan; Design Guidelines; Municipal Code Updates; Zoning Map) and new documents (Balanced Mode Circulation Plan; Climate Action Plan) collectively referred to as the "Oroville Sustainable Code Updates," with all recommended changes made by the Planning Commission and City Council at the February 27, 2015 public meeting and all recommended changes made by the Planning Commission at their March 23, 2015 public meeting.

.....
PASSED AND ADOPTED by the Oroville City Council at a special meeting held on March 31, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

Exhibits

A – Findings of Fact and Statement of Overriding Considerations

EXHIBIT "A"

***"FINDINGS OF FACT &
STATEMENT OF
OVERRIDING
CONSIDERATIONS"***

**WILL BE RECEIVED
UNDER SEPARATE
COVER**

Oroville 2030 General Plan



for the City of Oroville

Public Review Draft | January 30, 2015

City of Oroville Community Climate Action Plan

Public Draft

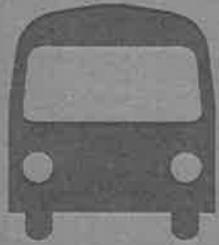
January 2015



Prepared by:

ICF International
with assistance from PlaceWorks and Fehr & Peers





OROVILLE

BALANCED MODE CIRCULATION PLAN



PLACEWORKS

JANUARY 30, 2015

CITY OF OROVILLE DESIGN GUIDELINES

Public Review Draft
January 2015

Oroville Municipal Code Updates



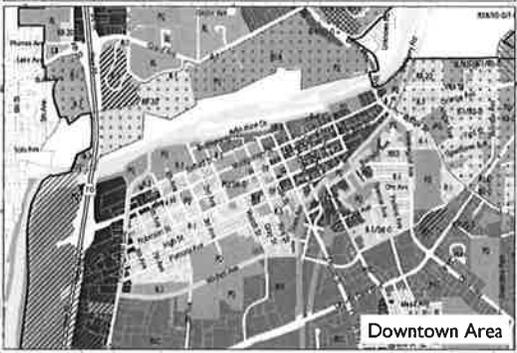
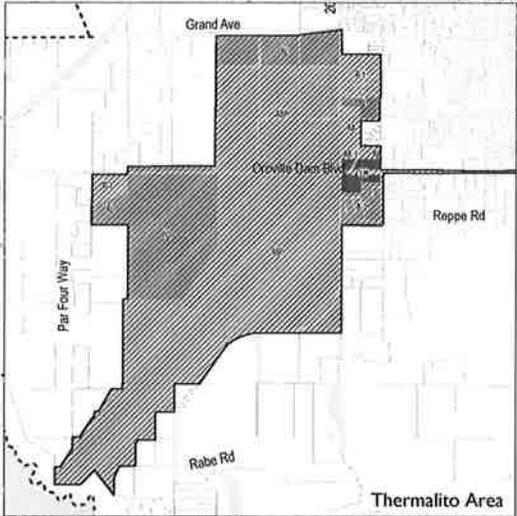
for the City of Oroville

Public Review Draft | January 30, 2015

CITY OF OROVILLE ZONING MAP



← See Thermalito Area Inset Map



Residential Districts

- Agricultural Residential (RA)
- Rural Residential 1 Acre (RR-1)
- Rural Residential 20,000 Square Feet (RR-20)
- Rural Residential 100,000 Square Feet (RR-10)
- Large-Lot Residential (RL)
- Single-Family Residential (R-1)

Medium-Density Residential (R-2)

- High Density Residential (R-3)
- Urban Density Residential (R-4)
- High Density Residential/Professional (RP)

Commercial and Mixed-Use Districts

- Neighborhood Commercial (CN)
- Limited Commercial (C-1)

Intensive Commercial (C-2)

- Highway Commercial (CH)
- Commercial Light Manufacturing (CLM)
- Office (OF)
- Downtown Fixed Use (FD)
- Neighborhood Mixed Use (NMU)
- Corridor Mixed Use (CMU)

Industrial Districts

- Airport Business Park (ABP)
- Intensive Industrial (I-2)

Special Purpose Districts

- Public or Quasi-Public Facilities (PQ)
- Open Space (OS)

Overlay Districts

- Future Development Overlay (FD-O)
- Planned Development Overlay (PD-O)
- Downtown Historic Overlay (DHO)
- Airport Influence Area Overlay (AIA-O)
- Mini-Storage Overlay (MS-O)

Conditional Overlay (C-O)

- Foothill Overlay (FO)
- Professional Office Overlay (PO-O)
- Specific Plan Area Overlay (SPA-O)

January 30, 2015



Oroville Sustainability Updates Draft Supplemental EIR

for the City of Oroville

State Clearinghouse #2014052001

March 20, 2015



Oroville Sustainability Updates Final Supplemental EIR

for the City of Oroville

State Clearinghouse #2014052001

March 20, 2015

Oroville Sustainability Updates Final Supplemental EIR

for the City of Oroville

State Clearinghouse #2014052001

Prepared By:

PlaceWorks

1625 Shattuck Avenue, Suite 300

Berkeley, California 94709

510.848.3815

510.848.4315 (f)

In Association With:

Fehr & Peers Associates

ICF International



TABLE OF CONTENTS

1. INTRODUCTION	1-1
2. REPORT SUMMARY	2-1
3. LIST OF COMMENTERS	3-1
4. COMMENTS AND RESPONSES	4-1

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
TABLE OF CONTENTS

List of Tables

Table 2-1 Summary of Impacts and Mitigation Measures 2-4

I INTRODUCTION

A. Purpose of the Environmental Impact Report

This document provides responses to comments received on the Draft Supplemental Environmental Impact Report (SEIR) for the proposed Oroville Sustainability Updates. The Draft SEIR identified significant impacts associated with the proposed Plan, and examined alternatives and recommended mitigation measures that could avoid or reduce potential impacts.

This document, together with the Draft SEIR, will constitute the Final EIR if the Oroville City Council certifies it as complete and adequate under the California Environmental Quality Act (CEQA).

B. Environmental Review Process

According to CEQA, lead agencies are required to consult with public agencies having jurisdiction over a proposed project, and to provide the general public with an opportunity to comment on the Draft SEIR. This Final EIR has been prepared to respond to comments received on the Draft SEIR. A Notice of Preparation of the SEIR was issued by the City on May 6, 2014. The Draft SEIR was made available for public review from Friday, January 30, 2015 through Monday, March 16, 2015. The Draft SEIR was distributed to local, regional, and State agencies and the general public was advised of the availability of the Draft SEIR. Copies of the Draft SEIR were made available for review to interested parties at the Oroville City Hall and on the City's website at: <http://www.cityoforoville.org/index.aspx?page=457>. The public comment period ended on Monday, March 16, 2015. Copies of all written comments received on the Draft SEIR are contained in this document. These comments and responses to these comments are laid out in Chapter 4, Comments and Responses, of this Final SEIR.

This Final SEIR will be presented at a Planning Commission hearing at which the Commission will advise the City Council on certification of the SEIR as a full disclosure of potential impacts, mitigation measures, and alternatives.

However, the Planning Commission will not take final action on the SEIR or the proposed Oroville Sustainability Updates. Instead, the City Council will consider the Planning Commission's recommendations on the Final SEIR and the proposed Oroville Sustainability Updates during a noticed public hearing, and will make the

final action with regard to certification of the Final SEIR. The City Council is currently scheduled to certify the Final SEIR at a public hearing on March 31, 2015.

C. Document Organization

This document is organized into the following chapters:

- ◆ **Chapter 1: Introduction.** This chapter discusses the use and organization of this Final SEIR.
- ◆ **Chapter 2: Report Summary.** This chapter is a summary of the findings of the Draft and the Final SEIR. It has been reprinted from the Draft SEIR with necessary changes made in this Final SEIR shown in double underline and ~~strikethrough~~.
- ◆ **Chapter 3: List of Commenters.** Names of agencies who commented on the Draft SEIR are included in this chapter.
- ◆ **Chapter 4: Comments and Responses.** This chapter lists the comments received on the Draft SEIR, and provides responses to those comments.

2 REPORT SUMMARY

This chapter presents a summary of the findings of the Draft and Final SEIRs. This chapter has been reprinted from the Draft SEIR with necessary changes made in this Final SEIR shown in double underline and ~~striketrough~~.

This summary presents an overview of the analysis contained in Chapter 4, Environmental Evaluation, of ~~this the Draft~~ SEIR. CEQA requires that this chapter summarize the following: 1) areas of controversy; 2) significant impacts; 3) unavoidable significant impacts; 4) implementation of mitigation measures; and 5) alternatives to the project. As described in Chapter 1, Introduction, of the Draft SEIR, this SEIR only considers the differences between the Modified Project and the Approved Project, evaluates whether the impacts would be increased or reduced, and how they would differ. Therefore, this chapter summarizes only the new or changed impacts that would be caused by the Modified Project.

A. Project Under Review

This SEIR provides an assessment of the potential environmental consequences of adoption of the proposed Oroville Sustainability Updates. The proposed project is described in a greater level of detail in Chapter 3, Project Description, of ~~this the~~ Draft SEIR.

B. Areas of Controversy

The City issued an official Notice of Preparation (NOP) for the proposed Oroville Sustainability Updates on May 6, 2014 and held a scoping meeting on May 22, 2014. A follow-up scoping meeting was also held on June 19, 2014, due to low attendance at the May meeting. The official NOP for this Program EIR was issued to the Governor's Office of Planning and Research, and forwarded to federal, State, and local agencies, and interested parties. The only comments received on the NOP were at the June 19, 2014 scoping meeting, and addressed:

- ◆ Pedestrian safety
- ◆ Promoting alternative modes of transportation
- ◆ The review and adoption process for the Oroville Sustainability Updates

All of these issues are addressed in this SEIR.

C. Significant Impacts

Under CEQA, a significant impact on the environment is defined as a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic and aesthetic significance.

As explained in Chapter 4 of ~~this~~ the Draft SEIR, implementation of the proposed Oroville Sustainability Updates would not generate any new or worsen any existing significant environmental impacts beyond what was identified in the 2009 EIR for the Approved Project, with the exception of a new impact identified for both the Approved and Modified Projects due to the identification of a new special-status wildlife species, the California black rail, in the Project Area. Chapter 4.3, Biological Resources, of ~~this~~ the Draft SEIR proposes mitigation measures that would mitigate the impact to a less-than-significant level. This new impact and the proposed mitigation measures are summarized in Table 2-1.

In addition, as described in Chapter 4.13, Transportation and Circulation, in ~~this~~ the Draft SEIR, the Modified Project would reduce the traffic impact from the Approved Project from a significant to a less-than-significant level. Therefore, Impact CIR-1 from the 2009 EIR for the Approved Project is shown as struck out in Table 2-1.

D. Mitigation Measures

This SEIR suggests specific mitigation measures to reduce the new significant impact (Impact BIO-2) of the Modified Project, in addition to those included in the 2009 EIR for the Approved Project. The mitigation measures in this SEIR will form the basis of a Mitigation Monitoring and Reporting Program to be implemented in accordance with State law.

E. Unavoidable Significant Impacts

Section 15126.2(b) of the CEQA Guidelines requires that an EIR describe any significant impacts that cannot be avoided, even with the implementation of feasible mitigation measures. As described in Chapter 4 of ~~this~~ the Draft SEIR and shown

in Table 2-1, no new significant unavoidable impacts were identified as a result of the Modified Project.

F. Alternatives to the Project

This SEIR analyzes alternatives to the proposed project. Three alternatives to the proposed project are considered and described in detail in Chapter 5 of ~~this~~ the Draft SEIR:

- ◆ No Project Alternative
- ◆ Existing General Plan Land Use Map Alternative
- ◆ Open Space Alternative

As shown in the alternatives analysis in Chapter 5 of ~~this~~ the Draft SEIR, the Open Space Alternative has the least environmental impact and is therefore the environmentally superior alternative. By reducing the amount of land available for development, while also adding the Modified Project components that provide beneficial impacts, the Open Space Alternative would be an improvement over the Modified Project in all topic areas except air quality, land use, noise, and transportation and circulation.

G. Summary Table

Table 2-1 presents a summary of impacts and mitigation measures identified in this report. It is organized to correspond with the environmental issues discussed in Chapter 4 of ~~this~~ the Draft SEIR.

The table is arranged in four columns: 1) environmental impacts; 2) significance prior to mitigation; 3) mitigation measures; and 4) significance after mitigation. For a complete description of potential impacts, please refer to the specific discussions in Chapter 4 of ~~this~~ the Draft SEIR.

TABLE 2-1 SUMMARY OF IMPACTS AND MITIGATION MEASURES

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
AESTHETICS			
<i>The Modified Project would not create any new significant impacts related to aesthetics.</i>			
AIR QUALITY			
<i>The Modified Project would not create any new significant impacts related to air quality.</i>			
BIOLOGICAL RESOURCES			
<p>BIO-2: Development associated with the Approved Project and the Modified Project could impact California black rail and its habitat as discussed above. Impacts on California black rail and its habitat could be offset through the City’s participation in the BRCP. The Draft BRCP identifies a goal for maintaining and increasing the population of California black rail in the BRCP Plan Area, which includes the protection of five patches of California black rail habitat and an objective to avoid the removal of occupied California black rail habitat. In addition, the large scale conservation of grasslands and avoidance and protection of wetlands within the BRCP Plan Area would also likely benefit the species.</p>	S	<p>BIO-2A: Surveys for California Black Rail If a proposed project would result in the loss of or occurs adjacent to freshwater marsh habitat, surveys shall be conducted to determine whether the marsh is occupied by California black rail. Two to three rounds of surveys shall be conducted between March 15 and May 31, with at least ten days between surveys. Survey methodology will generally follow the Wetlands Regional Monitoring Program protocol for black rail or another methodology as determined in coordination with CDFW. The surveyor(s) shall possess the required permits from CDFW for conducting the surveys. Project construction shall not be initiated until the surveys are completed and results reviewed by CDFW.</p> <p>BIO-2B: Avoid and Minimize Impacts on California Black Rail Development projects within the Project Area shall avoid and minimize impacts on freshwater marsh habitat and/or occupied California black rail habitat to the maximum extent practicable. Where direct impacts can be avoided, buffers shall be established around the occupied California black rail habitat to avoid and minimize disturbance of the species during construction. Buffers shall be developed in coordination with CDFW and be based on site-specific conditions and the nature of the construction activities. Buffer areas shall be delineated with a combination of bright orange construction fencing (the bottom 18 inches should be above grade to avoid entangling terrestrial wildlife) and silt fencing (with the bottom 6 inches buried) to clearly identify the area to be avoided and to keep sedi-</p>	LTS

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 SUMMARY OF IMPACTS AND MITIGATION MEASURES (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
		<p>ments from entering the wetland, respectively.</p> <p>In addition, a biological monitor who is experienced with California black rails shall monitor construction activities to ensure that activities do not inadvertently impact the species or its habitat. The biological monitor shall also provide worker awareness training to construction personnel on the status and general biology of California black rail, inform them of the conservation measures that have been developed to avoid and minimize impacts on the species, and inform them of the consequences of non-compliance. Activities that require monitoring shall be decided based on site-specific conditions and the nature of the activity, and shall be developed in coordination with CDFW. Generally, those activities in close proximity to occupied habitat that require night work and associated lighting and/or that generate loud noises shall not be allowed during the nesting season, or they shall require monitoring.</p>	
		<p><u>BIO-2C: Compensate for Loss of California Black Rail Habitat</u> California black rail habitat that would be lost as a result of site-specific development projects allowed by the Approved or Modified Project shall be mitigated at a minimum of 1:1. Compensation shall consist of either preservation or restoration, or both, depending on the availability of equivalent habitat in the Project Area and pending consultation with CDFW. Compensation shall be achieved at either a mitigation bank or within an approved conservation area that is protected and managed in perpetuity.</p>	
CULTURAL RESOURCES			
<i>The Modified Project would not create any new significant impacts related to cultural resources.</i>			
GEOLOGY, SOILS, AND MINERAL RESOURCES			
<i>The Modified Project would not create any new significant impacts related to geology, soils, and mineral resources.</i>			

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 SUMMARY OF IMPACTS AND MITIGATION MEASURES (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
GREENHOUSE GAS EMISSIONS			
<i>The Modified Project would not create any new significant impacts related to greenhouse gas emissions.</i>			
HAZARDS AND HAZARDOUS MATERIALS			
<i>The Modified Project would not create any new significant impacts related to hazards and hazardous materials.</i>			
HYDROLOGY AND WATER QUALITY			
<i>The Modified Project would not create any new significant impacts related to hydrology and water quality.</i>			
LAND USE			
<i>The Modified Project would not create any new significant impacts related to land use.</i>			
NOISE			
<i>The Modified Project would not create any new significant impacts related to noise.</i>			
POPULATION AND HOUSING			
<i>The Modified Project would not create any new significant impacts related to population and housing.</i>			
PUBLIC SERVICES AND RECREATION			
<i>The Modified Project would not create any new significant impacts related to public services and recreation.</i>			
TRANSPORTATION AND CIRCULATION			
CIR-1 Under the 25-year horizon buildout of the Draft 2030 General Plan, the segments of Olive Highway between Oroville Dam Boulevard and Foothill Boulevard and the segment of Highway 70 between Oroville Dam Boulevard and Ophir Road	S	Funding for these improvements is outside of the City's control, and no additional mitigation is available.	SU

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 SUMMARY OF IMPACTS AND MITIGATION MEASURES (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
<p>would operate at LOS F. In addition, the segment of Olive Highway between Foothill Boulevard and Oakvale Avenue; the segment of Oroville Dam Boulevard between Highway 70 and Larkin Road; and the segment of Highway 70 between Ophir Road and Palermo Road would operate at LOS E. Although the Draft 2030 General Plan identifies roadway improvements needed to provide acceptable traffic operations on these segments, delivery of these roadway improvements is not certain due to funding constraints.</p>			
UTILITIES AND INFRASTRUCTURE			
<i>The Modified Project would not create any new significant impacts related to utilities and infrastructure.</i>			

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
REPORT SUMMARY

3 LIST OF COMMENTERS

Comments on the Draft SEIR were received from the following agencies. Letters are arranged by the date received. Each comment letter has been assigned a number, as indicated below.

1. Scott A. Zaitz, Environmental Scientist, Storm Water & Water Quality Certification Unit. Central Valley Regional Water Quality Control Board. February 12, 2015.
2. Susan Zanchi, Chief, Office of Transportation Planning – North. State of California, Department of Transportation, District 3. March 16, 2015.

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
LIST OF COMMENTERS

4 COMMENTS AND RESPONSES

This chapter includes a reproduction of, and responses to, each letter received during the public review period. Each letter is reproduced in its entirety, and is immediately followed by responses to the comments in it. Letters follow the same order as listed in Chapter 3 of this Final SEIR.

Each comment and response is labeled with a reference number in the margin.



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Central Valley Regional Water Quality Control Board

12 February 2015

Mr. Luis Topete
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

COMMENTS ON THE SUPPLEMENT EIR FOR PROPOSED OROVILLE SUSTAINABILITY UPDATE PROJECT, OROVILLE, BUTTE COUNTY

The Central Valley Regional Water Quality Control Board (Central Valley Water Board) is a responsible agency for this project, as defined by the California Environmental Quality Act (CEQA). On 2 February 2015, we received your request for comments on the Supplement Environmental Impact Report for the Oroville Sustainability Update Project.

The City of Oroville adopted the Oroville 2030 General Plan on June 2, 2009. Since that time, the City has been proceeding with several key steps to implement the updated General Plan, including updating the Zoning Ordinance to bring it into conformance with the 2030 General Plan, preparing other updates to the Municipal Code, adding a chapter on low-impact development and resource-efficient design to the City's Design Guidelines, preparing a Climate Action Plan, and preparing a Balanced Mode Circulation Plan.

Based on our review of the information submitted for the proposed project, we have the following comments:

Studies have found the amount of impervious surface in a community is strongly correlated with the impacts on community's water quality. New development and redevelopment result in increased impervious surfaces in a community. Post-construction programs and design standards are most efficient when they involve (i) low impact design; (ii) source controls; and (iii) treatment controls. To comply with Phase II Municipal Storm Water Permit requirements the City of Oroville must ensure that new developments comply with specific design strategies and standards to provide source and treatment controls to minimize the short and long-term impacts on receiving water quality. The design standards include minimum sizing criteria for treatment controls and establish maintenance requirements. The proposed project must be conditioned to comply with post construction standards adopted by the City of Oroville in compliance with their Phase II Municipal Storm Water Permit.

1-1

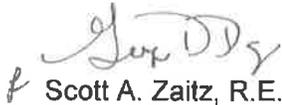
1-2

Luis Topete
City of Oroville
Oroville Stainability Update Project

- 2 -

12 February 2015

If you have any questions or comments regarding this matter please contact me at
(530) 224-4784 or by email at szaitz@waterboards.ca.gov.



Scott A. Zaitz, R.E.H.S.
Environmental Scientist
Storm Water & Water Quality Certification Unit

SAZ: wrb

cc w/o

enclosures: Ms. Leah Fisher, U.S. Army Corp of Engineers, Sacramento
Department of Fish and Wildlife, Region 2, Rancho Cordova
State Clearing House Number (2014052001)

R:\RB5\RB5RSection\N Central Valley\laCross Section\Clerical\Storm_water\SZaitz\2015\CEQA Comment Oroville Sustainability
Update Project.doc

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
COMMENTS AND RESPONSES

Letter 1: Scott A. Zaitz, Environmental Scientist, Storm Water & Water Quality Certification Unit, Central Valley Regional Water Quality Control Board, February 12, 2015.

1-1: This comment serves as an opening remark and summarizes the proposed Oroville Sustainability Updates. It is not a comment on the adequacy of the Draft SEIR, and no response is required.

1-2: The comment summarizes the relationship between impervious surfaces and water quality, and discusses post-construction and design standards that address water quality. The comment states that projects must comply with the post-construction standards adopted by the City in compliance with their Phase II Municipal Storm Water Permit.

The proposed Oroville Sustainability Updates do not constitute a development project; rather, the Updates include plans, regulations, and guidelines that the City would employ when making decisions and regulating activities over which it has authority. The proposed Oroville Sustainability Updates include plans and guidelines that support low-impact design, reduce impervious surfaces, and improve water quality. In particular, as described on page 3-23 of the Draft SEIR, the proposed project includes a new chapter in the City's Design Guidelines that addresses low-impact development and resource-efficient design, including specific guidelines regarding green standards, habitat-fostering landscapes, water use, resource-efficient materials, and stormwater management. Future private development would be evaluated against these guidelines. In addition, future development projects will be required to comply with the standards adopted by the City in compliance with their Phase II Municipal Storm Water Permit.

DEPARTMENT OF TRANSPORTATION

DISTRICT 3
703 B STREET
MARYSVILLE, CA 95901
PHONE (530) 741-4199
FAX (530) 741-5346
TTY 711



*Flex your power!
Be energy efficient!*

March 16, 2015

FMP# 032015BUT0012
03-BUT-Var/PM Var
SCH# 2014052001

Mr. Luis Topete
Community Development Department
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

Dear Mr. Topete:

Thank you for the opportunity to review and comment on the Oroville Sustainability Updates (SCH# 2014052001) project. This project consists of a targeted update of the 2030 General Plan adopted in 2009. It includes updates to the City's Zoning Ordinance, Municipal Code, Design Guidelines and the preparation of a Climate Action Plan and Balanced Mode Circulation Plan. The project area includes the 13-square-mile incorporated area for which the City of Oroville has jurisdiction as well as the City's defined Sphere of Influence. The following comments are based on the draft Supplemental Environmental Impact Report (Draft SEIR):

2-1

We commend the City's goal of accommodating bicyclists, children and seniors, persons with disabilities, motorists, pedestrians, and users of public transportation. We are encouraged by the increased emphasis on active transportation and we look forward to the results of partnering with the City, Butte County Association of Governments (BCAG), and the consultant selected to study mobility alternatives on State Route (SR) 162 from SR 70 interchange to Foothill Boulevard.

However, we have substantial concern with this targeted update in that it proposes to allow SR 162 (Olive Highway) from Oroville Dam Boulevard to Lower Wyandotte Road to remain at Level of Service (LOS) F with no plans for improvement. In addition, we note it identifies three additional segments of SR 162 that will degrade to LOS F within the planning horizon (2030) with no plans for improvement. This is unacceptable and does not meet the State's LOS standards.

2-2

State facility LOS is determined by Caltrans. The urban area standard is identified as LOS E. All public transit in Oroville, now and in the foreseeable future, is provided via transit bus which traverses roadways including SR 162. A road system that includes critical segments operating at LOS F could mean poor public transportation performance. Permitting the system to operate at LOS F while allowing other segments to degrade to LOS F appears to be contradictory to the goal of reducing greenhouse gas emissions.

2-3

*"Provide a safe, sustainable, integrated and efficient transportation system
to enhance California's economy and livability"*

With regard to *Emergency Access* on page 4.13-31, the proposed degradation of major roadways to LOS F will likely have a significant impact on emergency services. This is particularly true for SR 162 (Olive Highway) between Oroville Dam Boulevard and Lower Wyandotte Road, as this segment provides access to Oroville Hospital. Roadways that are congested and operate at LOS F can create significant and unpredictable delays for emergency response times.

2-4

Concerning *Impacts and Mitigation Measures* on page 4.13-33, the proposed cumulative impacts appear much more significant than the previously approved environmental document.

2-5

Any local development that impacts the State Highway System (SHS) and further degrades the LOS below LOS E must be mitigated to an acceptable level. Based on the type of development proposed, fair share fees or ad hoc improvements that mitigate impacts to the SHS, taking into consideration nexus and rough proportionality, should be collected and coordinated through consultation with Caltrans.

2-6

We recommend the City consider re-incorporating SR 162 into the existing traffic impact mitigation fee program or consider creating an overlay zone for the SR 162 corridor that allows tailored regulations, specific to the corridor, in order to meet specific goals. We believe either or both of these recommendations will benefit the City and Caltrans while providing a better understanding of the requirements and necessary infrastructure as the General Plan approaches full build-out. As an alternative, relinquishment of SR 162 east of SR 70 could also be explored through consultation with Caltrans.

2-7

Please provide our office with copies of any further actions regarding this project.

If you have questions regarding these comments, please contact Shannon Culbertson, Intergovernmental Review Coordinator for Butte County, by phone at (530) 741-5435 or by e-mail to shannon.culbertson@dot.ca.gov.

Sincerely,



SUSAN ZANCHI, Chief
Office of Transportation Planning – North

c: Scott Morgan, State Clearinghouse

**Letter 2: Susan Zanchi, Chief, Office of Transportation Planning – North,
State of California, Department of Transportation, District 3. March 16, 2015.**

2-1: The comment serves as an opening remark, summarizes the proposed Oroville Sustainability Updates, and commends aspects of the project that accommodate all transportation modes and users. It is not a comment on the adequacy of the Draft SEIR, and no response is required.

2-2: The comment expresses concern that portions of Highway 162 would operate at level of service (LOS) F with no plans for improvement, stating that this LOS is unacceptable and does not meet the State's LOS standards. The City has the authority to establish its own thresholds for roadway facilities and the City not required to adopt thresholds based on concept LOS in Caltrans Transportation Concept Reports (TCRs). As discussed on pages 4.13-21 to 4.13-22 of the Draft SEIR, the City considers a range of policy considerations when establishing LOS thresholds, including economic development, roadway infrastructure costs, system maintenance, and consideration of bicycle, pedestrian, and public transit users. A higher LOS can result in higher expenditures of infrastructure dollars for wider roadways that do not necessarily best serve all users of the system and results in less than optimum utilization of the roadway. Because the City's General Plan LOS policy exempts these sections of Highway 162 from the LOS D standard, LOS F operations on these roadway sections under the proposed Oroville Sustainability Updates would not constitute a significant impact and no mitigation is required.

2-3: The comment states that the Caltrans standard is LOS E, and that LOS F operations on Highway 162 would impair the performance of the bus transit service in Oroville. See the response to Comment 2-2 regarding the Caltrans concept LOS. Consistency with adopted policies, plans, or programs supporting alternative transportation is discussed on pages 4.13-32 to 4.13-33 of the Draft SEIR. As discussed in that section, the proposed Oroville Sustainability Updates maintain General Plan goals and policies that support alternative travel modes, while also adding a new policy and two new actions that would further support all modes of travel, including transit. In addition, the proposed Balanced Mode Circulation Plan would establish design guidelines and solutions for public transit, including bus stop zones and amenities.

Rather than focusing primarily on roadway operations, the Oroville Sustainability Updates take a holistic approach to establishing a transportation network that achieves the project objectives to strengthen the environmental, community, and

economic sustainability of Oroville; improve circulation and access for all modes of travel; and reduce greenhouse gas (GHG) emissions. As discussed on pages 4.13-21 to 4.13-22 of the Draft SEIR, the proposed change to the City's LOS policy that would accept lower levels of service on certain roadways reflects a change in policy that balances the needs of all transportation system users and community values. Widening the roadway to meet a better LOS can degrade the pedestrian and bicycle environment, including for those people who walk or bike to the bus stops along Highway 162. Instead, the project would establish the policies and guidelines that support alternative modes of transportation referenced above, along with a range of other strategies to reduce vehicle miles traveled (VMT), including increasing the density of Downtown development, establishing zoning incentives for development types that reduce VMT, and various Climate Action Plan (CAP) strategies that reduce VMT.

Finally, the Butte County Association of Governments (BCAG), which oversees transit service in Butte County, has not adopted any policies, plans, or programs that establish roadway LOS thresholds to support transit. The 2012 Metropolitan Transportation Plan (MTP)/Sustainable Communities Strategy (SCS) addresses transit in Chapter 7, but includes no LOS or congestion policies or strategies for transit service. Rather, its "recommended goals, objectives, and suggested strategies" in Table 7-3 address regional coordination, transit quality and quantity, and outreach, as well as physical infrastructure, including improvements to pedestrian access and transit stop amenities (see Strategies 1.5.1 and 1.5.2),¹ which are directly supported by the proposed Balanced Mode Circulation Plan.

Therefore, the proposed Oroville Sustainability Updates are found to be consistent with adopted policies, plans, and programs supporting alternative transportation. The Updates also achieve the project objective to reduce GHG emissions through the holistic approach discussed above for transportation and through the other strategies outlined in the proposed CAP that achieve the City's GHG reduction target.

2-4: The comment states that LOS F operations on Highway 162 will impact emergency services, particularly on the section of Highway 162 that provides access to the Oroville Hospital. The analysis regarding emergency access is provided on page 4.13-31 of the Draft SEIR. As explained in that section, the proposed

¹ BCAG, 2012, *Metropolitan Transportation Plan & Sustainable Communities Strategy 2012-2035*, pages 7-23 to 7-27.

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
COMMENTS AND RESPONSES

Oroville Sustainability Updates would not change the emergency access impact from the Approved Project.

Roadway LOS near the hospital was not specifically discussed in the Draft SEIR analysis. The section of Highway 162 between Oro Dam Boulevard and Lower Wyandotte Road on which the Oroville Hospital is located would operate under LOS F conditions under both the Approved and Modified Projects, so the Oroville Sustainability Updates would not change the condition from what was evaluated in the 2009 EIR for the Approved Project. Note that peak hour congestion lasts for only a very short duration of the work week; for the majority of each day, traffic would be free-flowing along Highway 162.

Furthermore, emergency vehicles do not operate like ordinary vehicles. For example, the California Vehicle Code requires drivers to pull to the right when an emergency vehicle is using its lights and sirens, and emergency vehicles can use the opposite direction of travel to overtake vehicles if necessary. This is particularly relevant for Highway 162, on which peak hour traffic congestion is only in one direction, so emergency vehicles can use the opposite direction of travel. Therefore, traffic congestion along Highway 162 would not result in inadequate emergency access.

2-5: The comment states that cumulative impacts are more significant than what was evaluated in the 2009 EIR for the Approved Project. As discussed on page 4.13-33 of the Draft SEIR, the 2009 EIR for the Approved Project found a significant and unavoidable cumulative traffic impact because the General Plan would exacerbate existing deficiencies on regional roadways, including Highways 70, 99, and 162. While the proposed Oroville Sustainability Updates would contribute to traffic on regional roadways, it would only represent a nominal increase in population and employment (i.e. less than 5 percent) compared to the Approved Project, and it would establish new strategies to reduce VMT and promote alternative modes of transportation. Given the small population and employment increase and the strategies that would counteract that increase by reducing VMT, the proposed Oroville Sustainability Updates would not change the severity of the impact identified for the Approved Project.

2-6: The comment states that any future development that degrades the State Highway System to below LOS E must be mitigated to an acceptable level, such as through fair share fees or ad hoc improvements. See the response to Comment 2-2. The City has the authority to establish the LOS threshold for Highway 162, including the proposed exception outlined in Circulation Element Policy P2.1. Because

CITY OF OROVILLE
OROVILLE SUSTAINABILITY UPDATES
FINAL SEIR
COMMENTS AND RESPONSES

this roadway is excepted from the LOS D threshold, the impact is less than significant, and no mitigation is required.

2-7: The comment suggests that the City re-incorporate Highway 162 into its traffic impact mitigation fee program, create an overlay zone for the Highway 162 corridor that allows tailored regulations, or consider relinquishing Highway 162 east of Highway 70. See the responses to Comments 2-2 and 2-6.

MEMORANDUM

DATE March 3, 2015
TO Don Rust and Luis Topete
City of Oroville, Community Development Department
FROM Tanya Sundberg
SUBJECT City Council and Planning Commission Comments from 2/27/15 Workshop

On February 27, 2015, the City Council and Planning Commission held a joint workshop to review the draft documents out for public review as part of the Oroville Sustainable Code Update. This memorandum summarizes the edits to each document suggested by Councilmembers and Commissioners at this meeting. Comments below were made by a single Councilmember or Commissioner except as noted below.

Draft 2030 General Plan Updates

Suggested edits to the Draft 2030 General Plan Updates were as follows:

- » Land Use Element: Add policy/s regarding coordination with the County on land use planning in the unincorporated areas within the City's SOI.
- » Circulation and Transportation Element:
 - Page 6-10: Update the location of the Greyhound bus stop.
 - Figure CIR-7, Bicycle Facilities – Future 2035 Conditions:
 - Add Table Mountain Boulevard north of Montgomery Street. *Note: Upon further review after the meeting, staff confirmed that this section is included as a planned bikeway in Figure CIR-7, so no edit is needed. Also, it is included as a "First Priority Bikeway" in the 2010 Oroville Bike Plan.*
 - Add an extension to the existing Orange Avenue bikeway that would continue northeast to connect to the lake.
 - Page 6-38: Revise Policy CIR-P3.1 to ensure that street widths are adequate for emergency vehicles, garbage trucks, and similarly large vehicles. *Note: This comment was supported by multiple Commissioners/Councilmembers.*
 - Add policy/s to promote connectivity between residential/employment and recreation areas via bikeways.
 - Add policy/s to coordinate with BCAG on bus stop locations. *Note: This comment was supported by multiple Commissioners/Councilmembers.*

- » Open Space, Natural Resources, and Conservation Element, Figure OPS-1, Parks, Recreational Facilities, and Open Space: Add the City-owned retention basin on the east side of the city as a proposed/future park location.

In addition, in response to a question that was raised at the meeting, the City's current parkland service ratio is 17 acres of parkland per 1,000 residents. This is based on an existing 2014 population of 16,000 (CA DOF) and the 279 acres of parkland within the city, as reported on page 7-4 of the Open Space, Natural Resources, and Conservation Element.

Draft Municipal Code Updates

Suggested edits to the Draft Municipal Code Updates were as follows:

- » Change the photos shown on the cover page so that it is easier to distinguish this document from the General Plan.
- » Section 26-16.120, Animal Keeping: Add an exemption to subsections D and E for 4-H and Future Farmers of America (FFA) activities.

Climate Action Plan

Suggested edits to the Climate Action Plan were as follows:

- » Change the *Land Conservation* Action Area name to clarify that it does not conserve land, but rather covers activities that affect the landscape.
- » Add an action to Strategy BE-7 (Local Renewable Energy Development) to support PG&E's new *Green Option* program that provides opportunities for customers to buy into a pool of locally-produced solar energy to meet electricity needs.
- » Add a discussion about the role of the City to model energy efficiency and sustainability through an energy audit of City facilities and associated energy conservation improvements.
- » Add a discussion about the Sustainable Groundwater Management Act to the regulatory section and other sections as appropriate.

Balanced Mode Circulation Plan

Suggested edits to the Balanced Mode Circulation Plan were as follows:

- » Page 3-3, Curb Extensions: Address issues with how curb extensions affect large truck turning.
Note: This comment was supported by multiple Commissioners/Councilmembers.

Design Guidelines Updates

Suggested edits to the Design Guidelines Updates were as follows:



- » Page 170: Add a new design guideline in the Water Use section that promotes the reuse of graywater in individual buildings for non-potable purposes. *Note: This comment was supported by multiple Commissioners/Councilmembers.*

PLANNING COMMISSION

APN	Address	Description	Existing Zoning	Existing GP	Draft Zoning Map	Draft GP Map	Proposed Zoning	Proposed GP
031-172-081	434 Plumas Ave	Collins & Denny Market	C-2	LDR (1-3 du/acres)	RR-20	Same	C-2	RBS
030-260-026	N/A	Linkside Subdivision Phase II	R-1	MLDR (3-6 du/acres)	RL	Same	R-1	Same
068-040-050	4551 E Oro Dam Blvd	Racquet Club	C-2 / R-1	MLDR (3-6 du/acres)	RL	Same	C-2	RBS
068-040-049	N/A	Vacant	CN / R-1	RBS	CN	Same	RL	MLDR (3-6 du/acres)
031-150-122	N/A	New County Hall of Records	R-2	MDR (6-14 du/acre)	R-2	Same	PQ	Public

- Include the appropriate portion of the plans a statement that bike trails should be provided on Table Mountain Boulevard north of the diversion canal bridge to Garden Drive

Notice of Completion & Environmental Document Transmittal

Mail to: State Clearinghouse, P.O. Box 3044, Sacramento, CA 95812-3044 (916) 445-0613
For Hand Delivery/Street Address: 1400 Tenth Street, Sacramento, CA 95814

SCH # 2014052001

Project Title: Oroville Sustainability Updates

Lead Agency: City of Oroville Community Development Department Contact Person: Luis Topete
Mailing Address: 1735 Montgomery Street Phone: (530) 538-2408
City: Oroville Zip: 95965 County: Butte

Project Location: County: Butte City/Nearest Community: Oroville
Cross Streets: n/a - citywide Zip Code: 95965/95966
Longitude/Latitude (degrees, minutes and seconds): n/a ° ' " N / ° ' " W Total Acres: n/a
Assessor's Parcel No.: n/a Section: n/a Twp.: Range: Base:
Within 2 Miles: State Hwy #: 70, 162 Waterways: Numerous
Airports: Oroville Municipal Airport Railways: Western Pacific Schools: Numerous

Document Type:

CEQA: [] NOP [] Draft EIR NEPA: [] NOI Other: [] Joint Document
[] Early Cons [x] Supplement/Subsequent EIR [] EA [] Final Document
[] Neg Dec (Prior SCH No.) 2008022024 [] Draft EIS [] Other:
[] Mit Neg Dec Other:

Local Action Type:

[] General Plan Update [] Specific Plan [x] Rezone [] Annexation
[x] General Plan Amendment [] Master Plan [] Prezone [] Redevelopment
[] General Plan Element [] Planned Unit Development [] Use Permit [] Coastal Permit
[] Community Plan [] Site Plan [] Land Division (Subdivision, etc.) [x] Other: See attached

Development Type:

[] Residential: Units Acres
[] Office: Sq.ft. Acres Employees
[] Commercial: Sq.ft. Acres Employees
[] Industrial: Sq.ft. Acres Employees
[] Educational:
[] Recreational:
[] Water Facilities: Type MGD
[] Transportation: Type
[] Mining: Mineral
[] Power: Type MW
[] Waste Treatment: Type MGD
[] Hazardous Waste: Type
[] Other:

Project Issues Discussed in Document:

[x] Aesthetic/Visual [] Fiscal [x] Recreation/Parks [x] Vegetation
[x] Agricultural Land [x] Flood Plain/Flooding [x] Schools/Universities [x] Water Quality
[x] Air Quality [x] Forest Land/Fire Hazard [x] Septic Systems [x] Water Supply/Groundwater
[x] Archeological/Historical [x] Geologic/Seismic [x] Sewer Capacity [x] Wetland/Riparian
[x] Biological Resources [x] Minerals [x] Soil Erosion/Compaction/Grading [x] Growth Inducement
[] Coastal Zone [x] Noise [x] Solid Waste [x] Land Use
[x] Drainage/Absorption [x] Population/Housing Balance [x] Toxic/Hazardous [x] Cumulative Effects
[x] Economic/Jobs [x] Public Services/Facilities [x] Traffic/Circulation [] Other:

Present Land Use/Zoning/General Plan Designation:

Numerous

Project Description: (please use a separate page if necessary)

After a multi-year effort involving extensive community input, the City of Oroville adopted the Oroville 2030 General Plan on June 2, 2009. Since that time, the City has been proceeding with several key steps to implement the updated General Plan, including updating the Zoning Ordinance to bring it into conformance with the 2030 General Plan, preparing other updates to the Municipal Code, adding a chapter on low-impact development and resource-efficient design to the City's Design Guidelines, preparing a Climate Action Plan (CAP), and preparing a Balanced Mode Circulation Plan. In addition, the City is preparing targeted updates to the 2030 General Plan to strengthen the environmental, community, and economic sustainability of Oroville, as discussed in more detail in Chapter 3 of the attached Draft Supplemental EIR.

Note: The State Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g. Notice of Preparation or previous draft document) please fill in.

Reviewing Agencies Checklist

Lead Agencies may recommend State Clearinghouse distribution by marking agencies below with an "X".
If you have already sent your document to the agency please denote that with an "S".

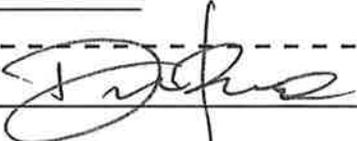
- | | |
|---|--|
| <input checked="" type="checkbox"/> Air Resources Board | <input checked="" type="checkbox"/> Office of Historic Preservation |
| <input type="checkbox"/> Boating & Waterways, Department of | <input type="checkbox"/> Office of Public School Construction |
| <input type="checkbox"/> California Emergency Management Agency | <input checked="" type="checkbox"/> Parks & Recreation, Department of |
| <input checked="" type="checkbox"/> California Highway Patrol | <input type="checkbox"/> Pesticide Regulation, Department of |
| <input checked="" type="checkbox"/> Caltrans District #3 | <input checked="" type="checkbox"/> Public Utilities Commission |
| <input checked="" type="checkbox"/> Caltrans Division of Aeronautics | <input checked="" type="checkbox"/> Regional WQCB #5 |
| <input checked="" type="checkbox"/> Caltrans Planning | <input checked="" type="checkbox"/> Resources Agency |
| <input checked="" type="checkbox"/> Central Valley Flood Protection Board | <input type="checkbox"/> Resources Recycling and Recovery, Department of |
| <input type="checkbox"/> Coachella Valley Mtns. Conservancy | <input type="checkbox"/> S.F. Bay Conservation & Development Comm. |
| <input type="checkbox"/> Coastal Commission | <input type="checkbox"/> San Gabriel & Lower L.A. Rivers & Mtns. Conservancy |
| <input type="checkbox"/> Colorado River Board | <input type="checkbox"/> San Joaquin River Conservancy |
| <input checked="" type="checkbox"/> Conservation, Department of | <input type="checkbox"/> Santa Monica Mtns. Conservancy |
| <input type="checkbox"/> Corrections, Department of | <input type="checkbox"/> State Lands Commission |
| <input type="checkbox"/> Delta Protection Commission | <input type="checkbox"/> SWRCB: Clean Water Grants |
| <input type="checkbox"/> Education, Department of | <input type="checkbox"/> SWRCB: Water Quality |
| <input checked="" type="checkbox"/> Energy Commission | <input type="checkbox"/> SWRCB: Water Rights |
| <input checked="" type="checkbox"/> Fish & Game Region #2 | <input type="checkbox"/> Tahoe Regional Planning Agency |
| <input type="checkbox"/> Food & Agriculture, Department of | <input type="checkbox"/> Toxic Substances Control, Department of |
| <input checked="" type="checkbox"/> Forestry and Fire Protection, Department of | <input checked="" type="checkbox"/> Water Resources, Department of |
| <input type="checkbox"/> General Services, Department of | |
| <input type="checkbox"/> Health Services, Department of | <input checked="" type="checkbox"/> Other: <u>Butte County Air Quality Management District</u> |
| <input type="checkbox"/> Housing & Community Development | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Native American Heritage Commission | |

Local Public Review Period (to be filled in by lead agency)

Starting Date January 30, 2015 Ending Date March 16, 2015

Lead Agency (Complete if applicable):

Consulting Firm: <u>PlaceWorks</u>	Applicant: <u>City of Oroville</u>
Address: <u>1625 Shattuck Ave., Suite 300</u>	Address: <u>1735 Montgomery Street</u>
City/State/Zip: <u>Berkeley, CA 94709</u>	City/State/Zip: <u>Oroville, CA 95965</u>
Contact: <u>Tanya Sundberg</u>	Phone: <u>(530) 538-2408</u>
Phone: <u>510-848-3815</u>	

Signature of Lead Agency Representative:  Date: 01.28.15

Authority cited: Section 21083, Public Resources Code. Reference: Section 21161, Public Resources Code.

**Attachment to Notice of Completion
Oroville Sustainability Updates
SCH#2014052001**

Local Action Type: Other
Municipal Code Update
Design Guidelines Update
Climate Action Plan
Circulation Plan



City of Oroville

Donald Rust
DIRECTOR

COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org

NOTICE OF PUBLIC HEARING BEFORE THE CITY OF OROVILLE CITY COUNCIL

NOTICE IS HEREBY GIVEN that the City Council of the City of Oroville will hold a public hearing on the projects described below. Said hearing will be held at **5:30 p.m. on Tuesday, March 31, 2015** in the City Council Chambers, 1735 Montgomery Street, Oroville, CA. All interested persons are invited to attend or submit comments in writing.

1. **Oroville Sustainable Code Updates** – The City Council of the City of Oroville will conduct a public hearing to review and consider sending a recommendation to the Oroville City Council for the approval of updates to the City's Zoning Ordinance to bring it into conformance with the 2030 General Plan, changes to the Zoning Map to bring it into conformance with the City's 2030 General Plan land use designations, adding a chapter on low-impact development and resource-efficient design to the City's Design Guidelines, new Climate Action Plan, new Balanced Mode Circulation Plan, targeted updates to the 2030 General Plan to strengthen the environmental, community, and economic sustainability of Oroville, and other updates to the Oroville Municipal Code, including solar energy ordinance revisions, local and healthy food amendments, development incentives for community benefits, Crime Prevention Through Environmental Design, park provision standards, and a new oak tree loss mitigation ordinance.

Additional information regarding the projects described in this notice can be obtained from the Oroville Community Development Department at 1735 Montgomery Street, Oroville, CA. Anyone desiring to submit information, opinions or objections is requested to submit them in writing to the Community Development Department prior to the hearing. In accordance with Government Code Section 65009, if you challenge an action on these projects in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public meetings.

Posted/Published: **Saturday, March 21, 2015**

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
RICK WALLS, INTERIM CITY ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: AGREEMENT WITH TRENT CONSTRUCTION FOR THE CHINESE
TEMPLE REPAIRS AND CONSERVATION WORK PROJECT**

DATE: MARCH 31, 2015

SUMMARY

The Council may consider an Agreement with the lowest responsible bidder, Trent Construction, in the amount of \$487,933, for the Chinese Temple Repairs and Conservation Work Project (Project).

BACKGROUND

The completion of building repairs for the Chinese Temple has been a City priority for a number of years. The building has been in need of exterior brick restoration, drainage protection, air conditioning and deck and roof repairs. Plans, specifications and bid documents were prepared and the Project was advertised for bid in 2013. A contract was not awarded in 2013 due to funding shortage. Since that time additional funding was secured and staff was authorized to re-advertise for bids this year.

Staff advertised the Project for bid by publishing an Invitation for Bid in the Oroville Mercury Register on February 13th and February 20th, 2015. In addition, the Project bid documents were submitted to builder's exchanges located in Northern California. A mandatory pre-bid meeting was held on February 25, 2015 and was attended by 7 interested contractors. Sealed bids were opened publicly on March 18, 2012, and read aloud. Four bids were received by the bid closing date, with one bid subsequently being rejected due to non-compliant bid forms. The results of the bid opening are summarized below.

BID SUMMARY				
CHINESE TEMPLE REPAIRS AND CONSERVATION WORK				
Bidder Name	Total Base Bid	Alternate A-1 (Moon Gate)	Alternate A-2 (HVAC Optimizer)	Total Base Bid + Alternates
Trent Construction	\$460,432.74	\$24,000.00	\$3,500.00	\$487,933.00
REM Construction	\$480,013.00	\$12,139.00	\$1,177.00	\$493,329.00
PNP Construction	\$516,442.00	\$10,200.00	\$2,300.00	\$528,942.00
Ginno Construction	Bid Rejected – Bid Non Compliant			

The low bidder for the total base bid plus bid alternatives A-1 and A-2 is Trent Construction, Gerber, CA. Staff has reviewed the prices in the bid schedule and determined that overall, considering that the project is subject to federal prevailing wage rates, the total bid price appears reasonable and competitive. Staff has checked the contractor license status of Trent Construction through the Contractor's State License Board and determined that Trent's contractor licenses are in good standing. Staff also determined that Trent's bid was fully responsive.

Staff's funding recommendations for this project are as follows:

- Award a contract for the Project to Trent Construction in the amount of \$487,933.
- Authorize a 5% contract contingency of \$24,397 to only be used for unanticipated and legitimate change orders.
- Approve Supplemental Appropriation to amend the established budget.

FISCAL IMPACT

Approve Supplemental Appropriation No. 2014/15-0331-XX to transfer an additional amount of \$403,000 from Community Development Block Grant Program Income and amend the previously established budget.

CDBG PI:	453-xxxx8453	<\$403,000>
CDBG Chinese Museum	150-4959-8559 (J13)	\$403,000
150 7000 8599 (Outside Services)		\$ 20,000
150 7300 8559 (Advertising)		\$ 1,000
150 8100 8559 (Building Improvements)		\$512,330
150 9010 8559 (Direct Labor)		\$ 66,511

RECOMMENDATIONS

1. Adopt Resolution No. 8345 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE LOWEST RESPONSIBLE BIDDER, TRENT CONSTRUCTION, IN THE AMOUNT OF \$487,933 FOR THE CHINESE TEMPLE REPAIRS AND CONSERVATION PROJECT – (Agreement No. 3117).
2. Authorize a 5% contingency, not to exceed \$24,397, for the Chinese Temple Repairs and Conservation Work Project.
3. Approve Supplemental Appropriation No2014/15-0331-XX indicated in this staff report, dated March 31, 2015.

ATTACHMENTS

Resolution No. 8345

**CITY OF OROVILLE
RESOLUTION NO. 8345**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE LOWEST RESPONSIBLE BIDDER, TRENT CONSTRUCTION, IN AN AMOUNT OF \$487,933, FOR THE CHINESE TEMPLE REPAIRS AND CONSERVATION PROJECT

(Agreement No. 3117)

WHEREAS, the City of Oroville has received formal bids for the Chinese Temple repairs and Conservation Work Project; and

WHEREAS, Trent Construction was the lowest responsive bidder for the base bid and alternate bids items combined.

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. Trent Construction is awarded the contract for the Chinese Temple Repairs and Conservation Work Project in the amount of \$487,933.
2. The Mayor is hereby authorized and directed to execute and Agreement with Trent Construction for the Chinese Temple Repairs and Conservation Work Project. A copy of the Agreement is attached to this Resolution.
3. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a special meeting on March 31, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

PROJECT CONTRACT

THIS PROJECT CONTRACT (the "contract" or "Contract"), is made and entered into this 31st day of March, 2015, by and between City of Oroville (referred to herein as the "Owner" or the "City") and Trent Construction (the "Contractor").

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

1. THE CONTRACT DOCUMENTS.

The complete contract is comprised of and may or may not include: Invitation for Bids; Information for Bidders; Bid Schedule; Proposal Form; Bidder's Bond; Contract; General Conditions; Special Provisions; Technical Provisions; Payment Bond; Performance Bond; Notice of Award; Notice to Proceed; Change Orders; Supplemental Drawings Issued; Drawings; Specifications and Contract Documents; All addenda or bulletins issued during the time of bidding or forming a part of the documents loaned to the bidder for preparation of the bid; The complete plans and provisions, regulations, ordinances, codes, and laws incorporated therein or herein by reference or otherwise applicable to the Project.

All of the above documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract are hereinafter referred to collectively as the Contract Documents.

2. THE WORK.

Contractor agrees to furnish all tools, apparatus, facilities, equipment, labor and materials (except that specifically mentioned as being furnished by others) necessary to perform and complete the work in a "good and workmanlike manner" as called for, and in the manner designated in, and in strict conformity with the Plans, Detail Specifications, and other Contract Documents which are identified by the signatures of the parties to this Contract and are, collectively, entitled:

PLANS AND SPECIFICATIONS CHINESE TEMPLE REPAIRS AND CONSERVATION WORK

3. CONTRACT PRICE.

The City agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the following compensation: \$487,933. In no event shall Consultant's compensation exceed the amount of \$487,933 without additional written authorization from the City. Payment by City under this Agreement shall not be deemed a waiver of defects in Consultant's services, even if such defects were known to the City at the time of payment

For the purpose of fixing the amount of bonds referred to in the Instructions to Bidders, it is estimated by both Parties that the total contract price shall be based on the Contractor's Base Bid amount.

4. DISPUTES PERTAINING TO PAYMENT FOR WORK.

Should any dispute arise respecting the true value of any work done or any work omitted, or of any extra work which the Contractor may be required to do, or respecting the size of any payment to the Contractor during the performance of this Contract, the dispute shall be informally mediated between the parties. Following such mediation, either party may file an action exclusively in the Butte County Superior Court or in the United States District Court,

Eastern District of California. Under no condition shall there be a cessation of work by the Contractor during any such dispute. This article does not exclude recovery of damages by either party for delays.

5. PAYMENT.

Not later than the 20th day of each calendar month, the Contractor shall make a partial payment request to the City on the basis of an estimate approved by the Engineer of the work performed since the last partial payment request during the preceding month by the Contractor with five percent (5%) of the amount of each such estimate retained by the City, until completion of the Project and the recordation of a Notice of Completion of all work covered by this Contract. The City shall make any partial payments provided for in this contract to the Contractor within 30 days of the City's receipt of an undisputed and properly executed partial payment request from the Contractor. The City shall pay the Contractor interest on the amount of any portion of a partial payment, excluding retention amounts, not made to the Contractor within 30 days of the City's receipt of an undisputed and properly executed partial payment request from the Contractor at the legal rate set forth in California Code of Civil Procedure Section 685.010. Upon receipt of a partial payment request from the Contractor, the City shall review the partial payment request for the purpose of determining whether or not the partial payment request is a proper partial payment request. Any partial payment request determined by the City not to be a proper partial payment request suitable for payment shall be returned to the Contractor by the City within 14 days of the City's receipt of such partial payment request. A partial payment request returned to the Contractor by the City under the provisions of this section shall be accompanied by a written document setting forth the reason(s) why the partial payment request is not proper. The number of days for the City to make a certain partial payment provided for in this Contract, without incurring interest pursuant to this section, shall be reduced by the number of days by which the City exceeds the 14 day return period for such partial payment request, if determined to be improper, as set forth in this section. For the purposes of this section, a "partial payment" means all payments due to the Contractor under this contract, exclusive of that portion of the final payment designated as retention earnings. Also, for the purposes of this section, a partial payment request shall be considered properly executed by the City, if funds are available to pay the partial payment request and payment is not delayed due to an audit inquiry by the City's financial officer. The City will release Contractor's retention earnings within 45 days after recordation of Notice of Completion, as defined in California Civil Code Section 3093. Recordation of a Notice of Completion for the Project by the City shall constitute the City's acceptance of the Project work.

6. TIME FOR COMPLETION.

All work under this contract shall be completed within a period of 90 calendar days from the date of the Contractor's receipt of a Notice to Proceed from the City. The anticipated Notice to Proceed date is April 15, 2015 and the anticipated completion date is July 15, 2015.

7. EXTENSION OF TIME.

If the Contractor is delayed by acts of negligence of the City, or its employees or those under it by contract or otherwise, or by changes ordered in the work, or by strikes, lockouts, fire, unavoidable casualties, or any causes beyond the Contractor's control, or by delay authorized by the City, or by any justifiable cause which the Engineer shall authorize, then the Contractor shall make out a written claim addressed to the City setting forth the reason for the delay and the extension of the time requested and forward a copy of the claim to the Engineer for approval. The Engineer will evaluate the claim and if the claim is justifiable, will request the City's approval. No such extension will be allowed unless written claim therefore has been made within 3 days after the delay became apparent.

If the Contractor fails or refuses to complete the work within the time specified, including authorized extensions, there shall be deducted from monies due the Contractor, not as a penalty, but as liquidated damages the sum of Five Hundred Dollars (\$500.00) for each calendar day subsequent to the time specified for each project and the time the work is actually completed and accepted. Delays caused by adverse weather conditions or conditions for which the Owner is clearly responsible will be added to the contract time.

8. LABOR PROVISIONS.

a. Minimum Wages.

(1) All laborers and mechanics employed or working upon the site of the Project will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to laborers or mechanics, subject to the provisions of subparagraph a.(4) below; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in paragraph d. of this clause. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under a.(2) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the Project in a prominent and accessible place where it can easily be seen by the workers.

(2)

(i) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The City shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(A) The classification is utilized in the area by the construction industry; and

(B) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(ii) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the City agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the City to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the City or will notify the City within the 30-day period that additional time is necessary.

(iii) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives and the City do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits where appropriate), the City shall refer the questions, including the views of all interested parties and the recommendation of the City, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the City or will notify the City within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(iv) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (2)(ii) or (iii) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(2) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(3) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

b. Withholding. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same Contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the Project, all or part of the wages required by the contract, the City may after written notice to the Contractor or applicant take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

c. Payrolls and Basic Records.

(1) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the Project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under paragraph a(4) of this clause that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. If the Contractor employs apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(2)

(i) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the City for transmission to any governmental agency with jurisdiction over this matter. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under paragraph c(1) above. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, D.C. 20402. The Contractor is responsible for the submission of copies of payrolls by all subcontractors.

(ii) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(A) That the payroll for the payroll period contains the information required to be maintained under paragraph c(1) above and that such information is correct and complete;

(B) That each laborer and mechanic (including each helper, apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(C) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(iii) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph c.(2)(b) of this section.

(iv) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(3) The Contractor or subcontractor shall make the records required under paragraph c(1) of this section available for inspection, copying or transcription by authorized representatives of the City, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, the Department of Labor may, after written notice to the Contractor or City take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment of the Contractor or subcontractor pursuant to 29 CFR 5.12.

d. Apprentices and Trainees.

(1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the Project site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice

wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination of the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the Project site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the Project site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(3) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

e. Compliance With Copeland Act Requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference into this contract.

f. Subcontracts. The Contractor and each subcontractor shall insert in any subcontracts the clauses contained in paragraphs a. through j. of this contract and such other clauses as may appropriately be required, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

g. Contract Termination: Debarment. A breach of the contract clauses in paragraphs a. through j. of this Section 8 and a. through e. of Section 9 below are grounds for termination of this contract, and for the debarment of the Contractor or subcontractor as provided in 29 CFR 5.12.

h. Compliance With Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

i. Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes provision of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontracts) and the City, the U.S. Department of Labor, or the employees or their representatives.

j. Certification of Eligibility.

(1) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(3) The penalty for making false statements or certifications in the making of this contract is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

9. **CONTRACT WORK HOURS AND SAFETY STANDARDS REQUIREMENTS.**

As used in the following provision, the term "laborers" and "mechanics" include watchmen and guards.

a. Overtime Requirements. Neither the Contractor nor any subcontractor contracting for any part of the Project which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek, whichever is greater.

b. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph a. above, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, the Contractor and subcontractor shall be liable to the City for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph a. above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph a. above.

c. Withholding for Unpaid Wages and Liquidated Damages. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph b. above.

d. Working conditions. Neither the Contractor nor any subcontractor may require any laborer or mechanic employed in the performance of any contract to work in surroundings or under working conditions that are unsanitary, hazardous or dangerous to his health or safety as determined under construction safety and health standards (29 CFR Part 1926) issued by the Department of Labor.

e. Subcontracts. The Contractor and any subcontractor shall insert in any subcontracts the clauses set forth in paragraphs a. through d. and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs a. through d.

10. VETERAN'S PREFERENCE.

In the employment of labor by the Contractor or its subcontractors (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veterans as defined in Section 515(c)(1) and (2) of the Airport and Airway Improvement Act of 1982. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

11. COMPLIANCE WITH REGULATIONS.

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (herein, 'DOT') Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

12. NONDISCRIMINATION.

The Contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

13. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM PROVISIONS.

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as recipient deems appropriate.

The Contractor agrees to pay each subcontractor under this contract for satisfactory performance of its contract no later than 10 days from the receipt of each payment the Contractor receives from City. The Contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City. This clause applies to both DBE and non-DBE subcontractors.

14. CIVIL RIGHTS.

The Contractor assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision binds the Contractor from the bid solicitation period through the completion of the contract. This provision shall be inserted in all subcontracts, subleases and other agreements at all tiers.

15. SOLICITATIONS FOR SUBCONTRACTS, INCLUDING PROCUREMENTS OF MATERIALS AND EQUIPMENT.

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color or national origin.

16. INFORMATION AND REPORTS.

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the City to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the City and shall set forth what efforts it has made to obtain the information.

17. SANCTIONS FOR NONCOMPLIANCE.

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this contract, the City shall impose such contract sanctions as it may determine to be appropriate, including but not limited to:

- a. Withholding of payments to the Contractor under the contract until the Contractor complies, and/or
- b. Cancellation, termination or suspension of the contract, in whole or in part.

18. INSPECTION OF RECORDS.

The Contractor shall maintain an acceptable cost accounting system. The City, the Federal Aviation Administration, the Comptroller General of the United States or any of their duly authorized representatives shall have access to any books, documents, paper, and records of the Contractor which are directly pertinent to this Contract or the Project for the purposes of making an audit, examination, excerpts, and transcriptions. The Contractor shall maintain all required records for 3 years after the City makes final payment and all other pending matters are closed.

19. RIGHTS IN INVENTIONS.

All rights to inventions and materials, if any, generated under this contract are subject to regulations issued by the City. Information regarding these rights is available from the City.

20. BREACH OF CONTRACT TERMS.

Any violation or breach of terms of this Contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this Contract or such other action that may be necessary to enforce the rights of the City under this Contract. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

21. TERMINATION OF CONTRACT BY CITY

a. The City may, by written notice, terminate this Contract in whole or in part at any time, either for the City's convenience or because of the Contractor's failure to fulfill its contract obligations. Upon receipt of such notice, services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this Contract, whether completed or in process, delivered to the City.

b. If the termination is for the convenience of the City, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

c. If the termination is due to failure to fulfill the Contractor's obligations, the City may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Contractor shall be liable to the City for any additional cost occasioned to the City thereby.

d. If, after notice of termination for failure to fulfill contract obligations, it is determined that the Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the City. In such event, adjustment in the contract price shall be made as provided in the second paragraph of this clause.

e. The rights and remedies of the City provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

22. INCORPORATION OF PROVISIONS.

The Contractor shall include the provisions of this contract in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations of directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the City may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may request the City to enter into such litigation to protect the interests of the City and, in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

23. CONTRACTOR CLAIMS OF \$375,000 OR LESS.

Claims by the Contractor relating to the Project for (a) a time extension, (b) money or damages arising from work done by, or on behalf of, the Contractor on the Project for which payment is not expressly provided for or to which the Contractor is not otherwise entitled, or (c) an amount that is disputed by the City, with a value of \$375,000 or less, are subject to the claims procedures set forth in California Public Contract Code Sections 20104, et seq., except as otherwise provided in this Contract and the incorporated documents, conditions and specifications. A copy of California Public Contract Code Sections 20104 through 20104.6 is attached to this Contract.

24. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES.

a. No Federal appropriated funds shall be paid, by or on behalf of the Contractor or its subcontractors, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant or the amendment or modification of any Federal grant.

a. If any funds other than Federal appropriated funds have been paid or will be paid by the Contractor or its subcontractors to any person for influencing or attempting to influence an officer or employee of the City, any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

25. ASSIGNMENT OF CERTAIN RIGHTS TO THE CITY.

In entering into this Contract or a subcontract to supply goods, services, or materials pursuant to this Contract, the Contractor and/or subcontractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to this Contract or the subcontract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgement by the parties.

26. ENERGY CONSERVATION REQUIREMENTS

The contractor agrees to comply with mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163)

IN WITNESS WHEREOF, two identical counterparts of this Contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

AGENCY: City of Oroville (First Party)

By: _____
(Linda L. Dahlmeier)

Mayor
(Official Title)

CONTRACTOR: _____ (Second Party)

By: _____
(Authorized Representative)

(Official Title)

**OROVILLE SUCCESSOR AGENCY/OROVILLE PUBLIC FINANCING AUTHORITY
STAFF REPORT**

TO: CHAIRPERSON AND COMMISSIONERS

FROM: RUTH WRIGHT, FINANCE DIRECTOR

**RE: AUTHORITY OF ACTING EXECUTIVE DIRECTOR TO SIGN
DOCUMENTS AND TAKE ACTIONS TO ISSUE THE 2015 BONDS**

DATE: MARCH 31, 2015

SUMMARY

The Successor Agency Commission/Oroville Public Financing Authority may consider authorizing the Acting Executive Director to execute documents and take other actions necessary or proper, to accomplish the issuance of the Successor Agency's Oroville Redevelopment Project No. 1 2015 Tax Allocation Refunding Bonds.

DISCUSSION

On December 16, 2014, the Successor Agency Commission approved Resolution No. 14-09, authorizing the issuance of tax allocation refunding bonds (the "Bonds") to refund the former Oroville Redevelopment Agency's previously incurred 2002 Loan, 2004A Loan and 2004B Loan. The purpose of the refunding is to produce debt service savings as authorized by Health and Safety Code Section 34177.5(a)(1).

In Resolution No. 14-09, the Successor Agency Commission designated certain authorized representatives to execute documents and instruments and take other actions necessary to accomplish the issuance of the Bonds. It is now appropriate to designate the Acting Executive Director as one of such authorized representatives.

Among the documents to be executed by the Acting Executive Director are the Indenture, the Continuing Disclosure Certificate and the Escrow Agreements relating to the 2002 Authority Bonds, the 2004A Authority Bonds, and the 2004B Authority Bonds. The current forms of such documents are submitted with this report, these documents are subject to additional revisions as necessary to accomplish the issuance of these bonds in accordance with Resolution No. 14-09.

FISCAL IMPACT

It is estimated that this refunding will increase City revenues by \$68,000 next fiscal year, increasing to over \$80,000 by Fiscal Year 2018, and continuing at that rate through Fiscal Year 2030. This action will also increase the annual property tax revenue of all tax entities with the former RDA by \$235,000 next fiscal year, increasing to over

\$287,000 by Fiscal Year 2018, and continuing at that rate through Fiscal Year 2030. Additionally, the City is estimated to receive one time cost of issuance reimbursements estimated at \$40,000.

RECOMMENDATION

Oroville Successor Agency:

Adopt Resolution No. 15-06 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SIGN DOCUMENTS AND TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE 2015 BONDS.

Oroville Public Financing Authority:

Adopt Resolution No. 15-01 – A RESOLUTION OF THE OROVILLE PUBLIC FINANCING AUTHORITY AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SIGN DOCUMENTS AND TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE 2015 BONDS.

ATTACHMENTS

Resolution No. 15-06
Resolution No. 15-01
Form of Indenture
Form of Continuing Disclosure Certificate
Form of 2002 Escrow Agreement
Form of 2004A Escrow Agreement
Form of 2004B Escrow Agreement

**OROVILLE SUCCESSOR AGENCY
RESOLUTION NO. 15-06**

A RESOLUTION OF THE COMMISSION OF THE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO SIGN DOCUMENTS AND TAKE ACTIONS ON BEHALF OF THE SUCCESSOR AGENCY IN CONNECTION WITH THE ISSUANCE OF THE 2015 TAX ALLOCATION REFUNDING BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Successor Agency to the Oroville Redevelopment Agency (“Successor Agency”) has previously adopted its Resolution 14-09: “Resolution of the Board of Directors of the Successor Agency to the Oroville Redevelopment Agency Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds, and Approving the form of an Indenture of Trust and Authorizing Certain Other Actions in Connection Therewith” at its meeting on December 16, 2014; and

WHEREAS, the Successor Agency desires to add the Acting Executive Director to the list of Successor Agency representatives authorized to sign documents and take other actions in furtherance of the issuance and of the 2015 Bonds; and

BE IT HEREBY RESOLVED by the Successor Agency as follows:

SECTION 1. In addition to the Successor Agency officers and directors listed in Section 3 of Resolution No. 2014-09, the Acting Executive Director of the Successor Agency is hereby authorized and directed to execute and deliver any and all documents and instruments, relating to the 2015 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by Resolution No. 14-09 and the Indenture, including, as necessary, the Indenture, the Official Statement, a Continuing Disclosure Certificate, the Escrow Agreements for the Prior Obligations (defined in Resolution No. 14-09) and any additional agreements and instruments as may be required to carry out the issuance of the 2015 Bonds in accordance with Resolution No. 14-09.

SECTION 2. The current forms of the following instruments are presented to the Successor Agency concurrently herewith: the Indenture, the Continuing Disclosure Certificate, and the Escrow Agreements for the Prior Obligations. The Successor Agency Board hereby approves and ratifies the forms of such instruments and authorizes the Chair, Acting Executive Director and Secretary to make such further revisions to such agreements as may be necessary or appropriate to accomplish the purposes of Resolution No. 14-09.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Oroville Successor Agency to the former Oroville Redevelopment Agency at a special meeting on March 31, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

Donald Rust, Acting Secretary

INDENTURE OF TRUST

Dated as of April 1, 2015

by and between the

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY

and

MUFG UNION BANK, N.A.
as Trustee

Relating to

\$18,380,000
SUCCESSOR AGENCY TO THE
OROVILLE REDEVELOPMENT AGENCY
Oroville Redevelopment Project No. 1
Tax Allocation Refunding Bonds
Series 2015A

\$525,000
SUCCESSOR AGENCY TO THE
OROVILLE REDEVELOPMENT AGENCY
Oroville Redevelopment Project No. 1
Tax Allocation Refunding Bonds
Series 2015B (Taxable)

Table of Contents

Page

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.1	Findings and Determinations	3
Section 1.2	Definitions.....	3
Section 1.3	Rules of Construction.....	12

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1	Authorization of Bonds	12
Section 2.2	Term of Bonds	14
Section 2.3	Redemption of Bonds.....	15
Section 2.4	Form of Bonds	16
Section 2.5	Execution of Bonds	16
Section 2.6	Transfer of Bonds.....	17
Section 2.7	Exchange of Bonds	17
Section 2.8	Registration Books	17
Section 2.9	Temporary Bonds.....	17
Section 2.10	Bonds Mutilated, Lost, Destroyed or Stolen.....	18
Section 2.11	Book-Entry Only System	18
Section 2.12	Successor Securities Depository; Transfers Outside Book-Entry Only System	19

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS
OF BONDS; PARITY DEBT

Section 3.1	Issuance of Bonds	19
Section 3.2	Application of Proceeds of Bonds.....	19
Section 3.3	Costs of Issuance Fund	20
Section 3.4	Issuance of Parity Bonds.....	20
Section 3.5	Validity of Bonds	21

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.1	Security of Bonds; Equal Security	22
Section 4.2	Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Pledged Tax Revenues	22
Section 4.3	Transfer of Amounts by the Trustee	22
Section 4.4	Rebate Fund	26
Section 4.5	Claims upon the Insurance Policy.....	27

Table of Contents
(continued)

Page

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1	Covenants of the Successor Agency	29
-------------	---	----

ARTICLE VI

THE TRUSTEE

Section 6.1	Duties, Immunities and Liabilities of Trustee.....	34
Section 6.2	Merger or Consolidation	35
Section 6.3	Liability of Trustee.....	36
Section 6.4	Right to Rely on Documents	37
Section 6.5	Preservation and Inspection of Documents.....	37
Section 6.6	Compensation and Indemnification	37
Section 6.7	Investment of Moneys in Funds and Accounts	38
Section 6.8	Accounting Records and Financial Statements.....	39
Section 6.9	Appointment of Co-Trustee or Agent	39

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.1	Amendment Without Consent of Owners	40
Section 7.2	Amendment With Consent of Owners	41
Section 7.3	Effect of Supplemental Indenture	41
Section 7.4	Endorsement or Replacement of Bonds After Amendment.....	41
Section 7.5	Amendment by Mutual Consent	42
Section 7.6	Opinion of Counsel	42

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.1	Events of Default and Acceleration of Maturities.....	42
Section 8.2	Application of Funds Upon Acceleration	43
Section 8.3	Power of Trustee to Control Proceedings	44
Section 8.4	Limitation on Owner's Right to Sue	44
Section 8.5	Non-waiver.....	44
Section 8.6	Actions by Trustee as Attorney-in-Fact	45
Section 8.7	Remedies Not Exclusive	45

ARTICLE IX

MISCELLANEOUS

Section 9.1	Benefits Limited to Parties.....	45
-------------	----------------------------------	----

Table of Contents
(continued)

	<u>Page</u>
Section 9.2	Successor is Deemed Included in All References to Predecessor.....45
Section 9.3	Discharge of Indenture.....46
Section 9.4	Execution of Documents and Proof of Ownership by Owners47
Section 9.5	Disqualified Bonds.....47
Section 9.6	Waiver of Personal Liability47
Section 9.7	Destruction of Canceled Bonds.....47
Section 9.8	Notices47
Section 9.9	Partial Invalidity.....48
Section 9.10	Unclaimed Moneys48
Section 9.11	Execution in Counterparts.....49
Section 9.12	Governing Law49
Section 9.13	Payments Due on Other Than a Business Day.....49
Section 9.14	Insurer as Third Party Beneficiary49
EXHIBIT A	2015A BOND FORMA-1
EXHIBIT B	2015B BOND FORMB-1

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is dated as of April 1, 2015, by and between the SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Agency" or "Successor Agency"), and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Oroville Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the "Redevelopment Plan" for a redevelopment project known and designated as the "Oroville Project Area" has been adopted and approved by Ordinance No. 1353 of the City of Oroville on July 6, 1981, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of October 31, 2002 pursuant to which the Authority loaned the proceeds of its 2002 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2002 Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2002 Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004A Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004A Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004B Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004B Loan Obligation"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Prior Agency being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, the Successor Agency desires to issue its Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A (the "2015A Bonds") for the purpose of refunding the 2002 Bonds and the 2004A Bonds; and

WHEREAS, the Successor Agency desires to issue its Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015B (Taxable) (the "2015B Bonds;" and, together with the 2015 A Bonds, the "Bonds") for the purpose of refunding the 2004B Bonds; and

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

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

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.1 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

Section 1.2 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.2 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

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

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

“Bond Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, an attorney or firm of attorneys acceptable to the Successor Agency of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions.

“Bond” or “Bonds” means the Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015, authorized by and at any time Outstanding pursuant to this Indenture.

“Bond Year” means the twelve (12) month period commencing on September 16 of each year, provided that the first Bond Year shall extend from the Delivery Date to September 15, 2015.

“Bondowner” or “Owner”, or any similar term, means any person who shall be the registered owner or his duly authorized attorney, trustee or representative of any Outstanding Bond.

“Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the corporate trust office of the Trustee is located are authorized to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certificate” or “Certificate of the Successor Agency” means a Written Certificate of the Successor Agency.

“Chair” means the chair of the Successor Agency or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution or bylaw to perform the functions of the chair in the event of the chair’s absence or disqualification.

“City” means the City of Oroville, State of California.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Computation Year” means, with respect to the Bonds, the period beginning on the Delivery Date and ending on September 15, 2015, and each 12-month period ending on September 15 thereafter until there are no longer any Bonds Outstanding.

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

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds including the initial fees and expenses of the Trustee, rating agency fees, legal fees and expenses, costs of printing the Bonds and Official Statement, fees of financial consultants and other fees and expenses set forth in a Written Certificate of the Successor Agency.

“Costs of Issuance Fund” means the trust fund established in Section 3.3 of this Indenture.

“County” means the County of Butte, California.

“Debt Service Fund” means that trust fund established in Section 4.2 of this Indenture.

“Defeasance Securities” means:

1. Cash
2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“Delivery Date” means the date on which the Bonds are delivered to the initial purchaser thereof.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California.

“DOF” means the California Department of Finance.

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

“Fiscal Year” means any twelve (12) month period beginning on July 1st and ending on the next following June 30th.

“Fund or Account” means any of the funds or accounts referred to herein.

“Indenture” means this Indenture of Trust dated as of April 1, 2015, between the Successor Agency and MUFG Union Bank, N.A., as trustee, approved by Resolution No. SA 14-09, adopted by the Successor Agency on December 16, 2014, and Resolution No. 07-14, adopted by the Oversight Board on December 17, 2014, authorizing the issuance of the Bonds.

“Independent Financial Consultant” “Independent Engineer” “Independent Certified Public Accountant” or “Independent Redevelopment Consultant” means any individual or firm engaged in the profession involved, appointed by the Successor Agency, and who, or each of whom, has a favorable reputation in the field in which his/her opinion or certificate will be given, and:

- (1) is in fact independent and not under domination of the Successor Agency;
- (2) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds; and
- (3) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Insurance Policy” or “Policy” the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Insured Bonds” means the 2015A Bonds maturing on September 15 in the years 2018 through 2031, inclusive, and all of the 2015B Bonds.

“Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Interest Payment Date” means March 15 and September 15, commencing September 15, 2015 so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law of the State of California as cited in the recitals hereof.

“Maximum Annual Debt Service” means the largest of the sums obtained for any Bond Year after the computation is made, by totaling the following for each such Bond Year:

(1) The principal amount of all Bonds and Parity Bonds, if any, and the amount of any sinking account payments payable in such Bond Year; and

(2) The interest which would be due during such Bond Year on the aggregate principal amount of Bonds and Parity Bonds which would be outstanding in such Bond Year if the Bonds and Parity Bonds outstanding on the date of such computation were to mature or be redeemed in accordance with the maturity schedules for the Bonds and Parity Bonds. At the time and for the purpose of making such computation, the amount of term Bonds and term Parity Bonds already retired in advance of the above-mentioned schedules shall be deducted pro rata from the remaining amounts thereon.

“Opinion of Counsel” means a written opinion of an attorney or firm of attorneys of favorable reputation in the field of municipal bond law. Any opinion of such counsel may be based upon, insofar as it is related to factual matters, information which is in the possession of the Successor Agency as shown by a certificate or opinion of, or representation by, an officer or officers of the Successor Agency, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which his or her opinion may be based, as aforesaid, is erroneous.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of this Indenture, all Bonds theretofore issued and authenticated under this Indenture except:

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

(b) Bonds paid or deemed to have been paid; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and authenticated pursuant to this Indenture.

“Oversight Board” means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Parity Bonds” means any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Successor Agency as permitted by Section 3.4 of this Indenture.

“Pass-Through Agreements” means the agreements entered into prior to the date hereof pursuant to Section 33401 of the Health and Safety Code with the County of Butte, Oroville Cemetery District, Thompson Flat Cemetery District, Butte Mosquito Abatement District, Oroville Mosquito Abatement District and Feather River Recreation and Park District.

“Permitted Investments” means:

- (a) For all purposes, including defeasance investments in refunding escrow accounts.
 - (1) Defeasance Securities
- (b) For all purposes other than defeasance investments in refunding escrow accounts.
 - (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration -Federal Financing Bank
 - (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies
 - (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
 - (4) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;
 - (5) Investments in a money market fund, including those of an affiliate of the Trustee rated “AAAm” or “AAAm-G” or better by S&P;
 - (6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not

callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
- (7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.
 - (8) Investment Agreements with an entity rated “A” or higher by S&P; and;
 - (9) The Local Agency Investment Fund of the State or any state administered pooled investment fund in which the Successor Agency is statutorily permitted or required to invest will be deemed a permitted investment.
- (c) The value of the above investments shall be determined as follows:
- (1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, and Bank of America Merrill Lynch.
 - (2) As to certificates of deposit and bankers’ acceptances: the face amount thereof, plus accrued interest thereon; and
 - (3) As to any investment not specified above: the value thereof established by prior agreement among the Successor Agency and the Trustee.

“Pledged Tax Revenues” means the monies deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of Section 34183 of the

Dissolution Act, excluding amounts payable under Pass-Through Agreements and Statutory Pass-Through Amounts. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

“Policy Costs” has the meaning set forth in Section 4.3.

“Prior Agency” means the Oroville Redevelopment Agency.

“Principal Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Principal Payment Date” means September 15, commencing September 15, 2015, so long as any of the Bonds remain Outstanding hereunder.

“Rebate Fund” means the fund by that name referenced in Section 4.4 of this Indenture.

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

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

“Record Date” means the first day of the month in which any Interest Payment Date occurs, whether or not such day is a Business Day.

“Redemption Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Redevelopment Plan” means the Redevelopment Plan for a redevelopment project known and designated as the “Oroville Redevelopment Project No. 1” that was adopted and approved by Ordinance No. 1353 of the City of Oroville on July 6, 1981, as amended to date.

“Redevelopment Project Area,” “Redevelopment Project” or “Project Area” means the Project Area described in the Redevelopment Plan.

“Refunded Obligations” means the 2002 Loan Obligation, the 2004A Loan Obligation and the 2004B Loan Obligation.

“Registration Books” means the books kept by the Trustee containing the registration and transfer information for the Bonds.

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

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

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

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

“Reserve Account” means the account by that name referenced in Section 4.3 hereof.

“Reserve Policy” means the reserve surety issued by the Insurer on the date of the issuance of the Bonds in an amount equal to the Reserve Requirement.

“Reserve Requirement” means, as of the date of computation, an amount equal to the combined lesser of (i) Maximum Annual Debt Service on the Bonds and any Parity Bonds, (ii) 10% of the net proceeds of the Bonds and any Parity Bonds, or (iii) 125% of the Annual Debt Service on all Bonds and Parity Bonds Outstanding.

“Redevelopment Obligation Retirement Fund” means the fund by that name referenced in Section 4.2 of this Indenture.

“State” means the State of California, United States of America.

“Statutory Pass-Through Amounts” means amounts paid to affected taxing agencies, if any, pursuant to Sections 33607.5 and/or 33607.7 of the Law and Section 34183 of the Dissolution Act.

“Supplemental Indenture” means any indenture then in full force and effect which has been duly adopted by the Successor Agency under the Dissolution Act, or any act supplementary thereto or amendatory thereof, at a meeting of the Successor Agency duly convened and held, of which a quorum was present and acted thereon, amendatory of or supplemental to this Indenture or any indebtedness entered into in connection with the issuance of Parity Bonds; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means that certain Tax Certificate executed by the Successor Agency with respect to the Bonds.

“Trust Office” means the principal corporate trust office of the Trustee in San Francisco, California, or such other office as the Trustee may from time to time designate in writing to the Agency and the Owners except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Trustee” means MUFG Union Bank, N.A., its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2002 Authority Bonds” means the Oroville Public Financing Authority, 2002 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1), issued pursuant to the 2002

Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2002 Loan Agreement.

“2002 Bonds Indenture” means the Indenture of Trust dated as of October 1, 2002 by and between the Prior Agency and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), pursuant to which the 2002 Authority Bonds were issued.

“2002 Escrow Agreement” means the 2002 Escrow Agreement dated as of April 1, 2015, by and between the Agency and the 2002 Escrow Bank.

“2002 Escrow Bank” means MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2002 Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of October 31, 2002.

“2002 Loan Obligation” means the Prior Agency’s loan obligation under the 2002 Loan Agreement.

“2004A Authority Bonds” means the Oroville Public Financing Authority, 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1), issued pursuant to the 2004A Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2004A Loan Agreement.

“2004A Bonds Indenture” means the Indenture of Trust dated as of July 1, 2004 by and between the Prior Agency and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), pursuant to which the 2004A Authority Bonds were issued.

“2004A Escrow Agreement” means the 2004A Escrow Agreement dated as of April 1, 2015, by and between the Agency and the 2004A Escrow Bank.

“2004A Escrow Bank” means MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2004A Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of August 5, 2004.

“2004A Loan Obligation” means the Prior Agency’s loan obligation under the 2004A Loan Agreement.

“2004B Authority Bonds” means the Oroville Public Financing Authority, 2004 Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1), issued pursuant to the 2004B Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2004B Loan Agreement.

“2004B Bonds Indenture” means the Indenture of Trust dated as of July 1, 2004 by and between the Prior Agency and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), pursuant to which the 2004B Authority Bonds were issued.

“2004B Escrow Agreement” means the 2004B Escrow Agreement dated as of April 1, 2015, by and between the Agency and the 2004B Escrow Bank.

“2004B Escrow Bank” means MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2004B Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of August 5, 2004.

“2004B Loan Obligation” means the Prior Agency’s loan obligation under the 2004B Loan Agreement.

“2015A Bonds” means the \$18,380,000 aggregate initial principal amount Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A.

“2015B Bonds” means the \$525,000 aggregate initial principal amount Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015B (Taxable).

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the Executive Director, Secretary or Finance Officer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Section 1.3 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1 Authorization of Bonds.

(a) 2015A Bonds in the aggregate principal amount of Eighteen Million Three Hundred Eighty Thousand Dollars (\$18,380,000) and 2015B Bonds in the aggregate principal amount of Five Hundred Twenty-Five Thousand Dollars (\$525,000) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Act. This Indenture constitutes a continuing agreement with the Trustee for the benefit of the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2015A Bonds shall be designated the “Successor Agency to the Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A.” The 2015B Bonds shall be designated the “Successor Agency to the Oroville

Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015B (Taxable).”

(b) The Bonds shall be and are special obligations of the Successor Agency and are secured by an irrevocable pledge of Pledged Tax Revenues and other funds as hereinafter provided. The Bonds, interest and premium, if any, thereon are not a debt of the City, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the State nor any of its political subdivisions (except the Successor Agency) is liable on them. In no event shall the Bonds, interest thereon and premium, if any, be payable out of any funds or properties other than those of the Successor Agency as set forth in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

The Bonds shall be and are equally secured together with any Parity Bonds, by an irrevocable pledge of the Pledged Tax Revenues and other funds as hereinafter provided, without priority for number, maturity, date of sale, date of execution or date of delivery, except as expressly provided herein.

Nothing in this Indenture shall preclude: (a) the payment of the Bonds from the proceeds of refunding bonds issued pursuant to the Law and the Dissolution Act, or (b) the payment of the Bonds from any legally available funds. Nothing in this Indenture shall prevent the Successor Agency from making advances of its own funds, however derived, to any of the uses and purposes mentioned in this Indenture.

The Successor Agency shall have the right to defease the Bonds and be discharged from the lien of this Indenture in accordance with the provision of Section 9.3 hereof. If the Successor Agency shall cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity, to the Bondowners the principal of, premium, if any, and interest to become due on the Bonds, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Indenture or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with a fiscal agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on the investment of such funds, then the lien of this Indenture, including, without limitation, the pledge of the Pledged Tax Revenues, and all other rights granted hereby, shall cease, terminate and become void and be discharged and satisfied, and the principal of, premium, if any, and interest on the Bonds shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Indenture shall require the deposit of more than such amount as may be sufficient, taking into account both the principal amount of such funds and the interest to become due on the investment thereof, to implement any refunding of the Bonds.

(c) Notwithstanding the issuance of the 2015A Bonds and the 2015B Bonds under a single indenture and the inclusion of both in the definition of “Bonds,” the 2015A Bonds and the 2015B Bonds shall be treated as separate and distinct issues for all purposes including, without limitation, redemption, defeasance, modification or amendment, and/or discharge of the Indenture.

Section 2.2 Term of Bonds.

(a) The 2015A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the Bonds shall mature on the dates and in the amounts and shall bear interest at the rate per annum as follows:

Date	Principal Amount	Interest Rate
9/1/2015	\$ 555,000	3.000%
9/1/2016	645,000	3.000
9/1/2017	920,000	3.000
9/1/2018	955,000	4.000
9/1/2019	985,000	4.000
9/1/2020	1,030,000	5.000
9/1/2021	1,080,000	5.000
9/1/2022	1,135,000	5.000
9/1/2023	1,190,000	5.000
9/1/2024	1,250,000	5.000
9/1/2025	1,315,000	5.000
9/1/2026	1,375,000	3.000
9/1/2027	1,415,000	3.000
9/1/2028	1,460,000	3.000
9/1/2029	1,505,000	3.125
9/1/2030	300,000	3.250
9/1/2031 (maturity)	1,265,000	3.250

(b) The 2015B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the Bonds shall mature on the dates and in the amounts and shall bear interest at the rate per annum as follows:

Date	Principal Amount	Interest Rate
9/1/2015	\$ 295,000.00	0.700%
9/1/2016 (maturity)	230,000.00	0.950

(c) Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed on the Interest Payment Date by first class mail to such Owner at the address of such Owner as it appears on the Registration Books; provided, however, that upon the written request of any Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner. Principal of and

redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America. Interest shall be calculated based upon a 360-day year of twelve thirty-day months.

Each Bond shall be initially dated as of the Delivery Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before February 15, 2015, in which event it shall bear interest from the Delivery Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.3 Redemption of Bonds.

(a) Optional Redemption. The 2015B Bonds are not subject to optional redemption.

The 2015A Bonds maturing on or before September 15, 2024 are not subject to redemption prior to maturity. The 2015A Bonds maturing on and after September 15, 2025 are subject to redemption prior to maturity in whole, or in part in the manner determined by the Agency, on any date on or after September 15, 2024, from any available source of funds, at a redemption price (expressed as a percentage of the principal amount of the 2015A Bonds to be redeemed) as follows, together with accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 15, 2024 and thereafter	100%

In the event the Agency shall elect to redeem 2015A Bonds as provided in this Section 2.3(a), the Agency shall give written notice to the Trustee of its election so to redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in the sole determination of the Trustee, such notice for the convenience of the Trustee.

(b) Reserved.

(c) Purchase In Lieu of Redemption. In lieu of optional redemption of Bonds, amounts on deposit in the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of the Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of the Bonds so purchased by the Successor Agency and surrendered to the Trustee for cancellation in any twelve-month period ending on August 15, in any year will be credited towards and will reduce the principal amount of the Bonds otherwise required to be redeemed on the following September 15 pursuant to this Indenture.

(d) Notice of Redemption. The Trustee on behalf of and at the expense of the Agency will mail (by first class mail, postage prepaid) notice of any redemption at least 30 but not more than 60 days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system, or any successor thereto; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Section 2.4 Form of Bonds.

(a) The 2015A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

(b) The 2015B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.5 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Chair and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A or Exhibit B hereto, respectively, manually executed and dated by and in the name of the Trustee by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.9 hereof, the temporary Bonds shall bear thereon a certificate of authentication manually executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.9 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.6 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denominations. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.6 from the Bondowner transferring the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.6, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.7 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.7 from the Bondowner exchanging the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.7, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.8 Registration Books. The Trustee will keep or cause to be kept, at its Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

Section 2.9 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon deliver, a new Bond of like amount and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Successor Agency and the Trustee and, if such evidence is satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like amount and maturity in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Successor Agency may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11 Book-Entry Only System. It is intended that the Bonds, be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. The Successor Agency and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a representation letter in the form required by DTC (the "Representation Letter"). In the event of any conflict between the terms of any such letter or agreement, including the Representation Letter, and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of a Bondowner only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to the Bonds registered in the books of the Trustee in the name of Cede & Co., as nominee of DTC, the Successor Agency and the Trustee, shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, Successor Agency and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than a Bondowner, as shown in the Register, of any notice with respect to the Bonds, including any notice of redemption, (c) the payment to any DTC Participant or Indirect Participant or any other Person, other than a Bondowner, as shown in the Registration Books, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or (d) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12 and the Bonds are registered to DTC, the Successor Agency, and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any

successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representation Letter.

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks being mailed to the registered owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 2.12 Successor Securities Depository; Transfers Outside Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Successor Agency, without the consent of any other person, but following written notice to the Successor Agency and the Trustee, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to the foregoing provisions, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Successor Agency, at the expense of the Successor Agency, is obligated to deliver Bond certificates to the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the books of the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names the Bondowner transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. The Successor Agency may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Successor Agency, or such depository's agent or designee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY DEBT

Section 3.1 Issuance of Bonds. Upon the execution and delivery of this Indenture and receipt by the Successor Agency of evidence satisfactory to it of satisfaction of the conditions precedent to issuance of the Bonds, the Successor Agency shall execute and deliver 2015A Bonds in the aggregate principal amount of Eighteen Million Three Hundred Eighty Thousand Dollars (\$18,380,000) to the Trustee and the Trustee shall authenticate and deliver the 2015A Bonds upon the Written Request of the Successor Agency and the Successor Agency shall execute and deliver 2015B Bonds in the aggregate principal amount of Five Hundred Twenty-Five Thousand Dollars (\$525,000) to the Trustee and the Trustee shall authenticate and deliver the 2015B Bonds upon the Written Request of the Successor Agency.

Section 3.2 Application of Proceeds of Bonds. On the Delivery Date the net proceeds of the sale of the 2015A Bonds and the 2015B Bonds (consisting of the par amount of the Bonds, plus net original issue premium of \$1,430,854.60, less Underwriter's Discount of \$174,871.25, and less moneys wired to the Insurer for the Policy and the Reserve Policy in the amount of \$89,951.35) shall

be paid to the Trustee and said amount together with moneys transferred from the Funds and Accounts held in connection with the Refunded Bonds shall be applied as follows:

(i) The Trustee shall transfer the amount of \$11,175,646.49 from Bond proceeds to the 2002 Escrow Bank for deposit pursuant to the 2002 Escrow Agreement;

(ii) Trustee shall transfer the amount of \$8,093,687.94 from Bond proceeds to the 2004A Escrow Bank for deposit pursuant to the 2004A Escrow Agreement;

(iii) Trustee shall transfer the amount of \$509,925.04 from Bond proceeds to the 2004B Escrow Bank for deposit pursuant to the 2004B Escrow Agreement;

(iv) The Trustee shall deposit the amount of \$291,772.53 from Bond proceeds into the Costs of Issuance Fund.

The Trustee may establish a temporary fund or account in its records to facilitate and record such deposits and transfers.

The Reserve Policy shall be held by the Trustee in the Reserve Account in satisfaction of the Reserve Requirement.

Section 3.3 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Fund. On the date that is three (3) months following the Delivery Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Debt Service Fund and the Trustee shall close the Costs of Issuance Fund.

Section 3.4 Issuance of Parity Bonds. In addition to the Bonds, subject to the requirements of this Indenture, the Successor Agency may issue or incur Parity Bonds in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee, for purposes of refunding existing obligations of the Successor Agency as permitted under the Dissolution Act, including without limitation Section 34177.5 thereof. The Successor Agency may issue or incur such Parity Bonds subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in this Indenture;

(b) The Oversight Board shall have approved the issuance of Parity Bonds;

(c) The Parity Bonds will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for (i) bonds substantially in accordance with this Indenture, and (ii) the deposit of moneys into the Reserve Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Bonds;

stating: (d) Receipt of a certificate or opinion of an Independent Financial Consultant

(i) For the current and each future Bond Year the debt service for each such Bond Year with respect to all Bonds and other Parity Bonds reasonably expected to be outstanding following the issuance of the Parity Bonds;

(ii) For the then current Fiscal Year, the Pledged Tax Revenues to be received by the Successor Agency based upon the most recently certified assessed valuation of taxable property in the Project Area provided by the appropriate officer of the County;

(iii) For each future Fiscal Year, the Pledged Tax Revenues referred to in item (ii) together with (a) the amount determined in accordance with Section 51(a) of the California Revenue and Taxation Code and (b) the amount of Pledged Tax Revenues to be payable with respect to construction completed but not yet on the tax rolls, and taking into account the expiration of the time to receive Pledged Tax Revenues with respect to any portion of the Project Area and any amounts to be paid pursuant to the Pass Through Agreements and the Statutory Pass-Through Amounts; and

(iv) That for the then current Fiscal Year, the Pledged Tax Revenues referred to in item (ii) and for each future Fiscal Year the Pledged Tax Revenues referred to in item (iii) are at least equal to the sum of 125% of the Maximum Annual Debt Service with respect to amounts referred to in item (i) above (excluding debt service with respect to any portion of the Parity Bonds deposited in an escrowed proceeds account to the extent such debt service is paid from earnings on the investment of such funds), and, for the then current Fiscal Year, 100% of Annual Debt Service with respect to any subordinate debt and that the Successor Agency is entitled under the Dissolution Act, the Law and the Redevelopment Plan to receive taxes under Section 33670 of the Law in an amount sufficient to meet expected debt service with respect to all Bonds and other Parity Bonds.

(e) The Parity Bonds will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Bonds until the next succeeding March 15 or September 15) provided, however, nothing herein shall preclude the Successor Agency from issuing and selling Parity Bonds which do not pay current interest.

Section 3.5 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.1 Security of Bonds; Equal Security. Except as provided in Sections 4.2 and 6.6, the Bonds and any Parity Bonds shall be equally secured by a pledge and lien on all of the Pledged Tax Revenues and on all of the moneys in the Redevelopment Obligation Retirement Fund and the Debt Service Fund (including the Interest Account, the Principal Account, the Reserve Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

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

Section 4.2 Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section 34170.5 of the Dissolution Act. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture. The Successor Agency shall deposit all of the Pledged Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account, the Reserve Account and the Redemption Account in such Bond Year pursuant to Section 4.3 of this Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

Section 4.3 Transfer of Amounts by the Trustee. There are hereby created accounts within the Debt Service Fund as set forth below, to be known respectively as the Interest Account with the 2015A Interest Sub-Account and the 2015B Interest Sub-Account, the Principal Account with the 2015A Principal Sub-Account and the 2015B Principal Sub-Account, the Reserve Account with the 2015A Reserve Sub-Account and the 2015B Reserve Sub-Account and the Redemption Account with the 2015A Redemption Sub-Account and the 2015B Redemption Sub-Account. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit in the following respective accounts within the Debt Service Fund, which are hereby established with the Trustee, in the following order of priority:

(a) Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund and transfer to the Interest Account (including the 2015A Interest Sub-Account and the 2015B Interest Sub-Account) an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. Amounts attributable to the 2015A Bonds will be immediately segregated and held in the 2015A Interest Sub-Account. Amounts attributable to the 2015B Bonds will be immediately segregated and held in the 2015B Interest Sub-Account. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. Subject to this Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2015A Bonds and the 2015B Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the 5th Business Day preceding each Principal Payment Date in each calendar year beginning September 15, 2015, the Trustee will withdraw from the Debt Service Fund and transfer to the Principal Account (including the 2015A Principal Sub-Account and the 2015B Principal Sub-Account) an amount equal to the principal payments becoming due and payable on Outstanding Bonds on such September 15, to the extent monies on deposit in the Redevelopment Obligation Retirement Fund are available therefor. Amounts attributable to the 2015A Bonds will be immediately segregated and held in the 2015A Principal Sub-Account. Amounts attributable to the 2015B Bonds will be immediately segregated and held in the 2015B Principal Sub-Account. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on such September 15 on all Outstanding Bonds. Subject to this Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the 2015A Bonds and the 2015B Bonds as it becomes due and payable.

(c) Reserve Account. In the event the moneys on deposit in the Debt Service Fund five (5) Business Days before any Interest Payment Date are less than the full amount of the interest and principal payments required to be deposited, the Trustee will, five (5) Business Days before such Interest Payment Date, withdraw from the Reserve Account pro-rata between the Reserve Account sub-accounts an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal. Promptly upon receipt of any such notice, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account an amount that will be sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the sub-accounts therein, and the reserve account of any Parity Bonds. If there is not sufficient moneys in the Redevelopment Obligation Retirement Fund to transfer an amount, which will be sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the sub-accounts therein, and the reserve account for any Parity Bonds, the Successor Agency will have an obligation to continue making transfers of Pledged Tax Revenues into the Debt Service Fund, as such revenues become available, and thereafter, as moneys become available in the Debt Service Fund, the Trustee will make transfers to the Reserve Account, the sub-accounts therein, and the reserve account for any Parity Bonds until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account and the reserve account for any Parity Bonds. No such transfer and deposit need be made to the Reserve Account (or any sub-account therein) so long as there is on deposit therein a sum at least equal to the Reserve Requirement. Subject to this Indenture all money in the Reserve Account will be used and

withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account (and sub-accounts therein, as the case may be), in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement will be withdrawn from the Reserve Account semiannually on or before the 5th Business Day preceding March 15 and September 15 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the 5th Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made or, (ii) if the Successor Agency shall have caused to be deposited with the Trustee an amount sufficient to make the deposits required by this Indenture, then at the Written Request of the Successor Agency such amount shall be transferred as directed by the Successor Agency.

When no Bonds remain Outstanding, amounts on deposit in the Reserve Account shall be transferred to the reserve account for any Parity Bonds to the extent necessary to maintain the Reserve Requirement on any Parity Bonds then outstanding.

The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument, besides the Reserve Policy, provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything herein to the contrary, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

Notwithstanding the foregoing, the following terms shall govern the Reserve Account so long as the Reserve Policy is deposited therein:

(1) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as Insurer shall specify. If the interest provisions of this section shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein

exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(2) The Successor Agency shall diligently make repayments for draws and payment of expenses and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") from funds available to the Successor Agency to the extent permitted by law. To the extent that such repayment and payment cannot be made in full within the current Recognized Obligation Payment Schedule Period, the Successor Agency shall include the payment and repayment on the next available Recognized Obligation Payment Schedule and on successive Recognized Obligation Payment Schedules until such payment and repayment have been made in full.

(3) Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all Pledged Tax Revenues (subject only to the priority of payment provisions set forth hereunder).

(4) All cash and investments in the Reserve Account, if any, shall be transferred to the Debt Service Fund for payment of principal of and interest on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(5) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of this Section, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect Owners of the Bonds.

(6) The Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(7) The Successor Agency shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in this Indenture.

(8) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of this section and to provide notice to the Insurer in

accordance with the terms of the Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Debt Service Fund more often than semiannually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(d) Redemption Account. On or before the 5th Business Day preceding any date on which Bonds are to be redeemed, the Trustee shall transfer from the Debt Service Fund for deposit in the Redemption Account an amount required to pay the principal of, interest and premium, if any, on the Bonds to be redeemed on such date. Subject to this Indenture, all moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest and premium, if any, on the Bonds to be redeemed on the date set for such redemption.

Section 4.4 Rebate Fund. The Trustee shall establish the Rebate Fund for the 2015A Bonds, when needed, and the Successor Agency shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the applicable Tax Certificate, unless the Successor Agency obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the 2015A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the 2015A Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Computation Year with respect to the 2015A Bonds, upon the Finance Officer's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.4(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Officer, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(iii) Payment to the Treasury. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the 2015A Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatale Arbitrage calculated as of the end of such Computation Year; and

(Y) Not later than 60 days after the payment of all the 2015A Bonds, an amount equal to 100% of the Rebatale Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatale Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection 4.4(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2015A Bonds and the payments described in Section 4.4(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.4 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the 2015A Bonds and any Parity Bonds.

(d) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

Section 4.5 Claims upon the Insurance Policy. If, on the third Business Day prior to an Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required hereunder, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal of the Insured Bonds paid by the Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Bondowner, whether DTC or its Nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Successor Agency with respect to any Insured Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (as such term is defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondowners referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondowners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondowners in the same manner as principal and interest payments are to be made on the Bonds under this Indenture. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Successor Agency agrees to pay to the Insurer: (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Bond Insurer Advances"); and (ii) interest on such Bond Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate (as such term is defined below) per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of: (a) the greater of: (1) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%; and (2) the then applicable highest rate of interest on the Insured Bonds; and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Successor Agency hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Tax Revenues and payable from such Pledged Tax Revenues on a parity with debt service due on the Insured Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

The Insurer shall, to the extent that it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Successor Agency to the Insurer hereunder shall survive the discharge or termination thereof.

The Successor Agency shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security herein; (ii) the pursuit of any remedies hereunder or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture whether or not executed or completed; or (iv) any litigation or other dispute in connection herewith or the transactions contemplated hereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect hereof.

The Insurer shall be entitled to pay principal of or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such term is defined in the Insurance Policy) or a claim upon the Insurance Policy.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1 Covenants of the Successor Agency. As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and will tend to make them more marketable; provided, however, that the covenants do not require the Successor Agency to expend any funds other than the Pledged Tax Revenues:

Covenant 1. Use of Proceeds; Management and Operation of Properties. The Successor Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in this Indenture and that it will manage and operate all properties owned by it comprising any part of the Project Area in a sound and businesslike manner.

Covenant 2. No Priority. The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues prior or superior to the lien of the Bonds. Except as permitted by Section 3.4 hereof, it will not issue any obligations, payable as to principal or interest, from the Pledged Tax Revenues, which have any lien upon the Pledged Tax Revenues on a parity with the Bonds authorized herein. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all or a portion of the Outstanding Bonds and Parity Bonds, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Pledged Tax Revenues. As used herein "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

Covenant 3. Punctual Payment. The Successor Agency 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 on the

date, at the place and in the manner provided in the Bonds. Further, it will take all actions required under the Dissolution Act to include on the Recognized Obligation Payment Schedules for each six-month period (or annual period if authorized by the Dissolution Act) all payments to the Trustee to satisfy the requirements of Section 4.2 of this Indenture, including any amounts required under the Indenture to replenish the Reserve Account of the Debt Service Fund to full amount of the Reserve Requirement. Without limiting the generality of the foregoing, as long as the Dissolution Act provides for a six-month Recognized Obligation Payment Schedule process (as opposed to an annual Recognized Obligation Payment Schedule process), the Successor Agency shall include the entire amount of Annual Debt Service for each applicable Bond Year on the Recognized Obligation Payment Schedule for the six-month period from January 1 to June 30 of such Bond Year and shall include any remaining Annual Debt Service amounts for such Bond Year not deposited with the Trustee during such period on the Recognized Obligation Payment Schedule for the six-month period from July 1 to December 31 commencing during such Bond Year.

Covenant 4. Payment of Taxes and Other Charges. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Pledged Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

Covenant 5. Books and Accounts; Financial Statements. The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Pledged Tax Revenues and other funds relating to the Project Area. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a postaudit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the postaudit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such postaudits.

Covenant 6. Eminent Domain Proceeds. The Successor Agency covenants and agrees that if all or any part of the Redevelopment Project Area should be taken from it without its consent, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, it shall take all steps necessary to adjust accordingly the base year property tax roll of the Project Area.

Covenant 7. Disposition of Property. The Successor Agency covenants and agrees that it will not dispose of more than ten percent (10%) of the land area in the Project Area (except property shown in the Redevelopment Plan in effect on the date this Indenture is adopted as planned for public use, or property to be used for public streets, public offstreet parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Pledged Tax

Revenues to be less than the amount required for the issuance of Parity Bonds as provided in Section 3.4, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

Covenant 8. Protection of Security and Rights of Bondowners. The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (a) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (i) the Law (except as modified by the Dissolution Act) is unconstitutional or (ii) that the Pledged Tax Revenues pledged under this Indenture cannot be paid to the Successor Agency for the debt service on the Bonds or (b) any other action affecting the validity of the Bonds or diluting the security therefor.

Covenant 9. Tax Covenants. In connection with the 2015A Bonds, the Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the 2015A Bonds and any Parity Bonds will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the 2015A Bonds or Parity Bonds or of any other monies or property which would cause the 2015A Bonds or Parity Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(2) Arbitrage. The Successor Agency will make no use of the proceeds of the 2015A Bonds or Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or Parity Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(3) Federal Guaranty. The Successor Agency will make no use of the proceeds of the 2015A Bonds or Parity Bonds or take or omit to take any action that would cause the 2015A Bonds or Parity Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(4) Information Reporting. The Successor Agency will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(5) Hedge Bonds. The Successor Agency will make no use of the proceeds of the 2015A Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any 2015A Bonds or any Parity Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain

the exclusion from gross income of interest on the 2015A Bonds or any Parity Bonds for federal income tax purposes; and

(6) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of 2015A Bonds and Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Covenant 10. Compliance with Dissolution Act. The Successor Agency covenants that it will comply with the requirements of 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. The Successor Agency covenants that in accordance with the Dissolution Act it will petition the DOF for a written confirmation that its determinations with respect to the Bonds are final and conclusive.

Covenant 11. Limitation on Indebtedness. The Successor Agency covenants and agrees that it has not and will not incur any loans, obligations or indebtedness repayable from Pledged Tax Revenues such that the total aggregate debt service on said loans, obligations or indebtedness incurred from and after the date of adoption of the Redevelopment Plan, when added to the total aggregate debt service on the Bonds, will exceed the maximum amount of Pledged Tax Revenues to be divided and allocated to the Successor Agency pursuant to the Redevelopment Plan.

The Successor Agency covenants that, as long as the receipt of Pledged Tax Revenues attributable to the Redevelopment Project is subject to a tax increment limit under the Law, the Successor Agency will annually review (or cause to be reviewed) the total amount of Pledged Tax Revenues attributable to the Redevelopment Project remaining available to be received by the Successor Agency under the Redevelopment Plan. In the event that the Tax Revenues attributable to the Redevelopment Project previously received by the Prior Agency or the Successor Agency plus the aggregate debt service remaining to be paid on the Bonds and any Parity Debt then outstanding, at any time equals or exceeds ninety percent (90%) of the aggregate amount of Pledged Tax Revenues attributable to the Redevelopment Project which the Successor Agency is permitted to receive under the Redevelopment Plan, the Successor Agency will either:

(i) deposit all future Pledged Tax Revenues attributable to the Redevelopment Project not used to pay current debt service with the Trustee in a special account to be applied for the sole purpose of paying the principal of and interest on, or the redemption of, the Bonds and any Parity Debt as they become due and payable plus amounts required to be deposited into the Reserve Account or any reserve account for Parity Debt, notwithstanding anything herein to the contrary, which account shall be invested in non-callable Defeasance Obligations and used for the payment of interest on and principal of and redemption premiums, if any, on the Bonds and any Parity Debt and amounts required to be deposited into the Reserve Account or any reserve account for Parity Debt; or

(ii) adopt a plan approved by an Independent Redevelopment Consultant which demonstrates the Successor Agency's continuing ability to pay debt service on the Bonds and any Parity Debt. In determining the amount to be deposited in escrow with the Trustee, the Successor Agency shall not take into account any actual or projected interest earnings on the amounts so deposited. The Successor Agency agrees that the financial information provided to the Trustee in

any such adopted plan will be included in each annual report provided pursuant to the Continuing Disclosure Certificate.

Notwithstanding the provisions of this Section 5.1, if the limitation on the amount of taxes which can be allocated to the Successor Agency pursuant to the Redevelopment Law and the Redevelopment Plan is invalidated (either by action of the legislature of the State of California or pursuant to a court finding or determination), neither the deposit of Pledged Tax Revenues attributable to the Redevelopment Project required by paragraph (i) nor the adoption of a plan as contemplated by paragraph (ii) of this Section 5.1 for the purpose of paying debt service and deposits into the Reserve Account for the Bonds and any Parity Debt, shall be required.

Covenant 12. Further Assurances. The Successor Agency covenants and agrees to adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

Covenant 13. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default (as defined in Article VIII); however, any participating underwriter, owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Covenant 14. Insurer's Rights. Anything herein to the contrary notwithstanding, so long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, upon the occurrence and continuance of an Event of Default, the Insurer shall be deemed to be the sole owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the Insured Bonds are entitled to take pursuant hereto pertaining to: (a) defaults and remedies; and (b) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and each Bond, the Trustee and each Bondowner appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Successor Agency under the United State Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondowner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondowner in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondowners shall expressly include mandamus.

So long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, the Trustee may not provide a grace period for a covenant default of more

than 30 days or extend such grace period for more than 60 days without the prior written consent of the Insurer.

ARTICLE VI

THE TRUSTEE

Section 6.1 Duties, Immunities and Liabilities of Trustee.

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

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

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

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

deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail, with a copy to the successor Trustee, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency. Notwithstanding any other provisions of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

(e) Every successor Trustee appointed under the provisions of this Indenture shall be a trust company or bank in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

(g) Before taking any action under Article VIII or this Section 6.1 at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or its willful misconduct in connection with any action so taken.

Section 6.2 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 6.1, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.3 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

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

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

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at its Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.1 and may rely conclusively on the certificates accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder.

(g) The Trustee may execute any of the trust or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

Section 6.4 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, in the absence of negligence or willful misconduct by the Trustee. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or willful misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

Section 6.5 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times during regular business hours upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 6.6 Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture. Upon the occurrence of an Event of Default, the Trustee shall have a first lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII hereof.

The Successor Agency further covenants and agrees, but only to the extent permitted and limited by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses and those of its attorneys and advisors of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency under this section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.7 Investment of Moneys in Funds and Accounts. Subject to the provisions of Article V hereof, all moneys held by the Trustee in the Debt Service Fund, Costs of Issuance Fund, the Redemption Account or the Rebate Fund, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any Fund or Account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall hold such moneys uninvested.

(a) Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency only in obligations permitted by the Law, which will by their terms mature not later than the date the Successor Agency estimates the moneys represented by the particular investment will be needed for withdrawal from the Redevelopment Obligation Retirement Fund.

(b) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund shall be invested only in obligations, which will by their terms mature on such dates as to ensure that before each interest and principal payment date, there will be in such account, from matured obligations and other moneys already in such account, cash equal to the interest and principal payable on such payment date.

(c) Moneys in the Reserve Account shall be invested in (i) obligations, which will by their terms mature on or before the date of the final maturity of the Bonds or five (5) years from the date of investment, whichever is earlier or (ii) an investment agreement, which permits withdrawals or deposits without penalty at such time as such moneys will be needed or in order to replenish the Reserve Account.

(d) Moneys in the Rebate Fund shall be invested in Defeasance Securities that mature on or before the date such amounts are required to be paid to the United States.

Obligations purchased as an investment of moneys in any of the Funds or Accounts shall be deemed at all times to be a part of such respective Fund or Account and the interest accruing thereon and any gain realized from an investment shall be credited to such Fund or Account and any loss resulting from any authorized investment shall be charged to such Fund or Account without liability to the Trustee. The Successor Agency or the Trustee, as the case may be, shall sell or present for redemption any obligation purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Indenture and shall incur no liability for any loss realized upon such a sale. All interest earnings received on any monies invested in the Interest Account, Principal Account, Redemption Account or Reserve Account, to the extent they exceed the amount required to be in such Account, shall be transferred on each Interest Payment Date to the Debt Service Fund. All interest earnings on monies invested in the

Rebate Fund shall be retained in such Fund and applied as set forth in Section 4.4. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 6.7. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.7 hereof. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations hereunder, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

Section 6.8 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts held by it established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency at reasonable hours and under reasonable circumstances with reasonable prior notice. The Trustee shall furnish to the Successor Agency, at least quarterly, an accounting of all transactions in the form of its regular account statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.9 Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State)

denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee or Successor Agency appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.9 are adopted to these ends.

In the event that the Trustee or Successor Agency appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

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

In addition to the appointment of a co-trustee hereunder, the Trustee may, at the expense and with the prior written consent of the Successor Agency, appoint any agent of the Trustee in St. Paul, Minnesota, for the purpose of administering the transfers or exchanges of Bonds or for the performance of any other responsibilities of the Trustee hereunder.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.1 Amendment Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, with the prior written consent of the Insurer but without consent of any Owners, to the extent permitted by law for any one or more of the following purposes:

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

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

(c) to provide the issuance of Parity Bonds pursuant to Section 3.4, and to provide the terms and conditions under which such Parity Bonds may be issued, including but not limited to the establishment of Redevelopment Obligation Retirement Funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.4; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on any of the Bonds, in the opinion of nationally-recognized bond counsel.

Section 7.2 Amendment With Consent of Owners. Except as set forth in Section 7.1, this Indenture and the rights and obligations of the Successor Agency, the Insurer and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding, upon the prior written consent of the Insurer, when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Section 7.3 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.4 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency, the Owners of such Bonds shall present such Bonds for that purpose at the Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and, in that case upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

Section 7.5 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.6 Opinion of Counsel. The Trustee shall be provided an opinion of counsel that any such Amendment or Supplemental Indenture entered into by the Successor Agency and the Trustee complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.1 Events of Default and Acceleration of Maturities. The following events shall constitute "Events of Default" hereunder:

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 30 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default; or

(c) if the Successor Agency shall commence a voluntary action under Title 11 of the United States Code or any substitute or successor statute.

If an Event of Default has occurred and is continuing, the Trustee may, or if requested in writing by the Owners of the majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, by written notice to the Successor Agency, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, and (b) upon receipt of indemnity to its satisfaction exercise any other remedies available to the Trustee and the Owners in law or at equity.

Immediately upon obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Successor Agency, and the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid interest on the Bonds is actually paid on such date.)

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

Upon the occurrence of an event of default, the Trustee may, upon the prior written consent of the Insurer, with the consent of a majority of the Owners, by written notice to the Successor Agency, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture in the Bonds to the contrary notwithstanding. Notwithstanding the foregoing, in the event the principal of the Insured Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Insurer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Insured Bonds shall be fully discharged.

Section 8.2 Application of Funds Upon Acceleration. All of the Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.1, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the order following, upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys and counsel including all sums owed the Trustee pursuant to Section 6.6 herein; and

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

interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest or any Bond over any other Bond.

Section 8.3 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.4 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

Section 8.5 Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.6 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Bonds, as applicable, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided the Trustee shall have no duty or obligation to enforce any such right or remedy if it has not been indemnified to its satisfaction from loss, liability or any expense including, but not limited to reasonable fees and expenses of its attorneys.

Section 8.7 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Benefits Limited to Parties. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Successor Agency, the Trustee, and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Successor Agency, the Trustee, and the registered Owners of the Bonds.

Section 9.2 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.3 Discharge of Indenture. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all Outstanding Bonds, including all principal, interest and redemption premiums, (if any), or;

(ii) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all Outstanding Bonds, including all principal, interest and redemption premiums (if any), or,

(iii) by irrevocably depositing with the Trustee, in trust, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums, if any) at or before maturity, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given pursuant to Section 2.3(d) or provision satisfactory to the Trustee shall have been made for the giving of such notice then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to all Outstanding Bonds shall cease and terminate, except only (a) the obligation of the Trustee to transfer and exchange Bonds hereunder and (b) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

In the event of a refunding, the Successor Agency shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Bonds in full, and (ii) an opinion of nationally recognized Bond Counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture, each of which shall be addressed to the Successor Agency and the Trustee.

In addition, so long as the Insurance Policy in is full force and effect and the Insurer has not defaulted on its obligations thereunder, the Successor Agency shall deliver to the Insurer the items set forth in (i) and (ii) of the preceding paragraph as applicable to the Insured Bonds, both of which shall be acceptable in form and substance to the Insurer, along with (iii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer) and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds. The Insurer shall receive drafts of these documents at least three Business Days prior to the funding of the escrow for the refunding.

The Bonds shall be deemed to be Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Successor Agency in accordance herewith. This Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Section 9.4 Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

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

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

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

Section 9.5 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded.

Section 9.6 Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.7 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.8 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, or sent by electronic transmission or facsimile, addressed as follows:

If to the Successor Agency: Successor Agency to the Oroville Redevelopment Agency
1735 Montgomery Street
Oroville, CA 95965
Attention: City Administrator

If to the Trustee: MUFG Union Bank, N.A.
350 California Street, 11th Floor
San Francisco, CA 94104
Attention: Corporate Trust Services
Fax No.: (415) 273-2492
Keith.Sevigny@unionbank.com

With a copy to: AccountAdministration-CorporateTrust@unionbank.com

If to the Insurer: Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019
Attn: Managing Director – Surveillance
Re: Policy No. _____
Telephone: (212) 974-0100
Facsimile: (212) 339-3556

In each case in which notice or other communication to the Insurer refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Insurer's General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 9.9 Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof, be assumed by and vest in the Finance Officer of the Successor Agency in trust for the benefit of the Owners that the Finance Officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bondowners, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof.

Section 9.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium (if any) and principal have become payable, if

such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

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

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

Section 9.13 Payments Due on Other Than a Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in this Indenture.

Section 9.14 Insurer as Third Party Beneficiary. So long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, the Trustee may not waive any Event of Default without the Insurer's written consent.

The rights granted to the Insurer hereunder to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondowners, and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

So long as the Insurance Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, the Insurer shall be provided with the following information by the Successor Agency or the Trustee, as the case may be:

(i) Annual audited financial statements within 180 days after the end of the Successor Agency's Fiscal Year (together with a certification of the Successor Agency that it is not aware of any default or Event of Default hereunder), and the Successor Agency's annual budget, if any, within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon amounts in the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of the Insured Bonds;

(iii) Notice of any default known to the Trustee, or the Successor Agency within five (5) Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or prepayment of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Successor Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of or interest on the Insured Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver hereto;

(ix) All reports, notices and correspondence to be delivered to Bondowners under the terms hereof; and

(x) Copies of all information furnished pursuant to the Continuing Disclosure Certificate, simultaneously with the dissemination of such information to the public.

In addition, so long as the Insurance Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder:

(1) the Insurer shall have the right to receive such additional information as it may reasonably request;

(2) the Successor Agency will permit the Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information that the Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice;

(3) the Trustee shall notify the Insurer of any failure of the Successor Agency to provide notices, certificates and other information hereunder;

(4) in determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, hereunder would adversely affect the security for the Insured Bonds or the rights of the Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy;

(5) no contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer; and

(6) No issuance or delivery of Parity Bonds may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Reserve Account is

fully funded at the Reserve Requirement (including the proposed issue) upon the issuance or delivery of such Parity Bonds, in either case unless otherwise permitted by the Insurer.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by its Chair and attested by its Secretary, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Its: Chair

ATTEST:

By: _____
Secretary

MUFG UNION BANK, N.A.
as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A
(FORM OF BOND)

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF BUTTE)

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY
OROVILLE REDEVELOPMENT PROJECT NO. 1
TAX ALLOCATION REFUNDING BOND, SERIES 2015A

Interest Rate	Maturity Date	Delivery Date	CUSIP
_____ %	_____ 1, 20__	March __, 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth calendar day of the month preceding such interest payment date (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before September 1, 2015, in which event it shall bear interest from the Delivery Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the rate per annum stated above, payable semiannually on March 15 and September 15 in each year (each an "interest payment date"), commencing September 15, 2015, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of MUFG Union Bank, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal

amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as “Successor Agency to the Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A” (the “Bonds”), in an aggregate principal amount of Eighteen Million Three Hundred Eighty Thousand Dollars (\$18,380,000), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”), and pursuant to a resolution of the Successor Agency adopted December 16, 2014 and a resolution adopted by the Oversight Board on December 17, 2015, and an Indenture of Trust, dated as of April 1, 2015, entered into by and between the Successor Agency and the Trustee (the “Indenture”), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to refund loan obligation of the Oroville Redevelopment Agency (the “Prior Agency”) under the 2002 Loan Agreement by and between the Oroville Public Financing Authority and the Prior Agency and the loan obligation of the Prior Agency under the 2004A Loan Agreement by and between the Oroville Public Financing Authority and the Prior Agency.

The Bonds are special obligations of the Successor Agency and are payable from, and are secured by a pledge of and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area (as that term is defined in the Indenture) on a parity with the Successor Agency’s \$525,000 aggregate principal amount of Oroville Redevelopment Project No. 1 Tax Allocation Refunding Bonds, Series 2015B (Taxable).

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a first and exclusive

pledge of and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on and after September 15, 2025 are subject to redemption prior to maturity in whole, or in part in the manner determined by the Successor Agency, at the option of the Successor Agency, on any date on or after September 15, 2024, from any available source of funds, at a redemption price of 100% percent of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the redemption date without premium.

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

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

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

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

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of 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 Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, reduce the percentage of Bonds required for the written consent to any such amendment

or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Oroville, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

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

IN WITNESS WHEREOF, the Successor Agency to the Oroville Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Chair and its Secretary, all as of the Delivery Date.

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Chair

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the 2015A Bonds described in the within-mentioned Indenture.

Authentication Date: _____, 2015

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Officer

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Successor Agency to the
Oroville Redevelopment Agency

STATEMENT OF INSURANCE

[TO COME]

(FORM OF ASSIGNMENT)

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

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

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

Dated: _____

Note: The signature(s) 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.

Signature Guaranteed:

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

EXHIBIT B
(FORM OF BOND)

No. R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF BUTTE)

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY
OROVILLE REDEVELOPMENT PROJECT NO. 1
TAX ALLOCATION REFUNDING BOND, SERIES 2015B (TAXABLE)

Interest Rate	Maturity Date	Delivery Date	CUSIP
_____%	_____ 1, 20__	March __, 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth calendar day of the month preceding such interest payment date (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before September 1, 2015, in which event it shall bear interest from the Delivery Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the rate per annum stated above, payable semiannually on March 15 and September 15 in each year (each an "interest payment date"), commencing September 15, 2015, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of MUFG Union Bank, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal

amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as “Successor Agency to the Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015B (Taxable)” (the “Bonds”), in an aggregate principal amount of amount of Five Hundred Twenty-Five Thousand Dollars (\$525,000), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”), and pursuant to a resolution of the Successor Agency adopted December 16, 2014 and a resolution adopted by the Oversight Board on December 17, 2015, and an Indenture of Trust, dated as of April 1, 2015, entered into by and between the Successor Agency and the Trustee (the “Indenture”), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to refund a loan obligation of the Oroville Redevelopment Agency (the “Prior Agency”) under the 2004B Loan Agreement by and between the Oroville Public Financing Authority and the Prior Agency.

The Bonds are special obligations of the Successor Agency and are payable from, and are secured by a pledge of and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area (as that term is defined in the Indenture), on a parity with the Successor Agency’s \$18,380,000 aggregate principal amount of Oroville Redevelopment Project No. 1 Tax Allocation Refunding Bonds, Series 2015A.

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a first and exclusive pledge of and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in

the Indenture). Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds are not subject to redemption prior to maturity.

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

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

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

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of 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 Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, reduce the percentage of Bonds required for the written consent to any such amendment or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Oroville, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have

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

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

IN WITNESS WHEREOF, the Successor Agency to the Oroville Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Chair and its Secretary, all as of the Delivery Date.

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Chair

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the 2015B Bonds described in the within-mentioned Indenture.

Authentication Date: _____, 2015

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Officer

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Successor Agency to the
Oroville Redevelopment Agency

STATEMENT OF INSURANCE

[TO COME]

(FORM OF ASSIGNMENT)

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

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

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

Dated: _____

Note: The signature(s) 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.

Signature Guaranteed:

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

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated April 1, 2015, is executed and delivered by the Successor Agency to the Oroville Redevelopment Agency (the "Agency") in connection with the issuance of its \$17,415,000* principal amount Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A (the "2015A Bonds") and its \$515,000* principal amount Oroville Redevelopment Project No. 1 Tax Allocation Refunding Bonds Series 2015B (Taxable) (the "2015B Bonds" and together with the 2015A Bonds, the "Bonds"). The Bonds will be issued under the terms of a Indenture of Trust, dated as of April 1, 2015 (the "Indenture"), by and among the Authority, the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially Rosenow Spevacek Group Inc., or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Agency and the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"Official Statement" shall mean the final Official Statement relating to the Bonds.

"Participating Underwriter" shall mean Southwest Securities, Inc., as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

* Preliminary, subject to change.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The Agency shall, or shall cause the Dissemination Agent to, no later than nine months after the close of each fiscal year, commencing with the report for the 2014-15 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent (if other than the Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with the first sentence of this subsection (b). The Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Agency and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the Agency) shall, if and to the extent the Agency has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the Agency certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Agency’s Annual Report shall contain or incorporate by reference the following:

(a) A post-audit of the financial transactions and records of the Agency for the fiscal year to be made by an Independent Certified Public Accountant appointed by the Agency prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Agency’s post-audit is not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain an unaudited statement of financial transactions and records of the Agency in a format required by Section 34177(n) of the

Dissolution Act, and the post-audit shall be filed in the same manner as the Annual Report when they become available.

(b) Financial information and operating data relating to the Project Area contained in the Official Statement for the Bonds under the headings “PROJECT AREA — “Land Use,” “— Largest Taxpayers,” and “— Appeals” and “PLEDGED TAX REVENUES — Schedule of Historical RPTTF Revenues,” in each case for the prior fiscal year.

(c) An update of the debt service coverage table shown in the Official Statement using the most recent fiscal year Pledged Tax Revenues.

(d) A listing of the amount of each distribution from the Butte County Auditor-Controller of property tax revenues from the Redevelopment Property Tax Trust Fund received by the Agency for its enforceable obligations for the most recent fiscal year, as reasonably available 15 days prior to the due date of each Annual Report.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been available to the public on EMMA or filed with the SEC. The Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;

- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in item (12) of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Agency.

(b) Upon receipt of notice from the Agency and instruction by the Agency to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, inform the Agency of the event and request that the Agency promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, "actual knowledge" of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with regular responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The Agency, or the Dissemination Agent, if the Dissemination Agent has been instructed by the Agency to report the occurrence of a Listed Event, shall file a notice of

such occurrence with the MSRB in a timely manner not more than ten business days after the occurrence of the event.

Section 6. Termination of Reporting Obligation. The Agency's obligations under this Disclosure Certificate with respect to each series of the Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of such Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be Rosenow Spevacek Group Inc. From time to time, the Agency may appoint a different Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the Agency and the Trustee. The Agency may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an Obligated Person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, "impact" has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the

differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Agency or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent has only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the Agency) shall be paid compensation by the Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Agency, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Agency or an opinion of nationally recognized bond counsel. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Signature Block Appears on Following Page]

IN WITNESS WHEREOF, the Agency has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

**SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY**

By: _____
Acting Executive Director

2002 BONDS ESCROW AGREEMENT

THIS 2002 BONDS ESCROW AGREEMENT, dated as of April 1, 2015 (this "Agreement"), is by and among the Successor Agency to the Oroville Redevelopment Agency (the "Successor Agency"), the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., acting in its capacity as escrow bank (the "Escrow Bank"), and the 2002 Trustee (as defined below) is entered into in accordance with an Indenture of Trust, dated as of October 1, 2002 (the "2004A Indenture"), by and between the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A. (the "2002 Trustee"), to refund all of the outstanding 2002 Bonds (as defined below).

WITNESSETH:

WHEREAS, the Authority has previously issued its 2004 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1) (the "2002 Bonds"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Oroville Redevelopment Agency (the "Prior Agency") being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service; and

WHEREAS, the Successor Agency pursuant to resolutions adopted by the Successor Agency on December 16, 2014 and March 3, 2015 (the "Resolutions"), determined that it is in the Successor Agency's best interest to issue the Eighteen Million Eight Hundred Thirty Thousand Dollars (\$18,830,000) Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A (the "2015A Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"), and together with the monies deposited by the Successor Agency, proceeds of the 2015A Bonds will be used to provide funds for various purposes including refunding the 2002 Bonds.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys. The Successor Agency hereby instructs the 2004A Trustee to transfer the following from the funds and accounts held with respect to the 2004A Bonds (\$_____ from the _____ Fund and \$_____ from the _____ Fund). The Successor Agency hereby instructs the Escrow Bank to deposit \$12,614,163.73 (which represents \$11,175,646.49 received from the Trustee from a portion of the net proceeds of the sale of the 2015A

Bonds and \$1,438,517.24 transferred by the 2002 Trustee from the funds and accounts held with respect to the 2002 Bonds) into the Escrow Fund established hereunder. The Escrow Bank shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established and to be known as the "Escrow Fund", and to be applied solely as provided in this Agreement. Such moneys shall be held uninvested in cash.

SECTION 2. Use and Investment of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

(a) such moneys in an amount equal to \$12,614,163.73 shall be held in cash uninvested in a separate segregated escrow account for the purpose of defeasing the 2002 Bonds; and

(b) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of 2002 Bonds.

(a) Payment. The Escrow Bank shall transfer from the Escrow Fund to the paying agent for the 2002 Bonds (the "Paying Agent") amounts sufficient to redeem the outstanding 2002 Bonds on April 20, 2015 at a redemption price equal to the aggregate principal amount thereof, without premium. Such transfers shall constitute the respective payments of the principal of and interest on the 2002 Bonds and redemption price due from the Successor Agency.

Upon payment of the 2002 Bonds in accordance with the terms of the 2002 Indenture"), all obligations of the Authority and the Trustee with respect to the 2002 Bonds shall cease and terminate. The Escrow Bank is hereby irrevocably instructed to provide the notice of redemption required by, and containing the elements set forth in, Section 2.02(d) of the 2002 Bonds Indenture.

Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Bank to the Successor Agency and deposited by the Successor Agency in the Debt Service Fund relating to the 2015A Bonds. Any moneys remaining in the Escrow Fund established hereunder after April 20, 2015 (aside from unclaimed monies referred to in the previous sentence) which are in excess of the amount needed to pay owners of the 2002 Bonds payments of principal and interest with respect to the 2002 Bonds or to pay any amounts owed to the Escrow Bank shall be immediately transferred by the Escrow Bank to the Successor Agency and deposited by the Successor Agency in the Debt Service Fund relating to the 2015A Bonds.

(b) Priority of Payments. The owners of the 2002 Bonds shall have a first lien on the moneys in the Escrow Fund which are allowable and sufficient to pay the 2002 Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the Escrow Fund are irrevocably pledged only to the owners of the 2002 Bonds.

(c) Termination of Obligation. As provided in the 2004A Indenture, upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, all obligations of the Authority and the Trustee with respect to the 2002 Bonds shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective employees or the willful breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, to accomplish the refunding and defeasance of the 2002 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Successor Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the monies deposited to accomplish the refunding and defeasance of the 2002 Bonds or to the validity of this Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Successor Agency.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank 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 Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank 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 Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank’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 Escrow Bank, including without limitation the risk of the Escrow Bank 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 Escrow Bank 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 Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected by the Successor Agency. Upon the Successor Agency’s election, such statements will be delivered via the Escrow Bank’s online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 7. Amendments. This Agreement is made for the benefit of the Successor Agency and the owners from time to time of the 2002 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Successor Agency; provided, however, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such owners, amend this Agreement or enter into such

agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2002 Indenture for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the 2002 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth with respect to compliance with this Section 7, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the 2002 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 7. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 8. Standard & Poor's. The Successor Agency agrees to provide Standard & Poor's, a Division of the McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 7 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 7 hereof, and (ii) any action relating to severability or contemplated by Section 11 hereof.

SECTION 9. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the 2002 Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 10. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or incurred by the Escrow Bank under this Agreement.

SECTION 11. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 12. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 13. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 14. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow

Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 16. Resignation or Removal of Escrow Bank. The procedures set forth in Sections 6.06, 6.07 and 6.09 of the 2002 Indenture relating to the resignation and removal and merger of the 2002 Trustee under the 2002 Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

SECTION 17. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

SECTION 18. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust Department, Fax: (415) 273-2492, E-mail: keith.sevigny@unionbank.com, with a copy to: AccountAdministration-CorporateTrust@unionbank.com. Any notice to or demand upon the Successor Agency or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency at 1735 Montgomery Street, Oroville, California 95965, Attention: Executive Director (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

[Remainder of Page Intentionally Left Blank]

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

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

OROVILLE PUBLIC FINANCING AUTHORITY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

MUFG UNION BANK, N.A.,
as Escrow Bank and 2002 Trustee

By: _____
Authorized Officer

2004 SERIES A BONDS ESCROW AGREEMENT

THIS 2004 SERIES A BONDS ESCROW AGREEMENT, dated as of April 1, 2015 (this "Agreement"), is by and among the Successor Agency to the Oroville Redevelopment Agency (the "Successor Agency"), the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., acting in its capacity as escrow bank (the "Escrow Bank"), and the 2004A Trustee (as defined below) is entered into in accordance with an Indenture of Trust, dated as of July 1, 2004 (the "2004A Indenture"), by and between the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A. (the "2004A Trustee"), to refund all of the outstanding 2004A Bonds (as defined below).

WITNESSETH:

WHEREAS, the Authority has previously issued its 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1) (the "2004A Bonds"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Oroville Redevelopment Agency (the "Prior Agency") being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service; and

WHEREAS, the Successor Agency pursuant to resolutions adopted by the Successor Agency on December 16, 2014 and March 3, 2015 (the "Resolutions"), determined that it is in the Successor Agency's best interest to issue the Eighteen Million Eight Hundred Thirty Thousand Dollars (\$18,830,000) Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A (the "2015A Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"), and together with other monies deposited by the Agency, proceeds of the 2015A Bonds will be used to provide funds for various purposes including refunding the 2004A Bonds.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys. The Successor Agency hereby instructs the 2004A Trustee to transfer the following from the funds and accounts held with respect to the 2004A Bonds (\$ _____ from the _____ Fund and \$ _____ from the _____ Fund). The Successor Agency hereby instructs the Escrow Bank to deposit \$8,520,133.82 (which represents

\$8,093,687.94 received from the Trustee from a portion of the net proceeds of the sale of the 2015A Bonds and \$426,445.88 transferred by the 2004A Trustee from the funds and accounts held with respect to the 2004A Bonds) into the Escrow Fund established hereunder. The Escrow Bank shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established and to be known as the "Escrow Fund" and to be applied solely as provided in this Agreement. Such moneys shall be held uninvested in cash.

SECTION 2. Use and Investment of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

(a) such moneys in an amount equal to \$8,520,133.82 shall be held in cash uninvested in a separate segregated escrow account for the purpose of defeasing the 2004A Bonds; and

(b) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of 2004A Bonds.

(a) Payment. The Escrow Bank shall transfer from the Escrow Fund to the paying agent for the 2004A Bonds (the "Paying Agent") amounts sufficient to redeem the outstanding 2004A Bonds on April 20, 2015 at a redemption price equal to the aggregate principal amount thereof, without premium. Such transfers shall constitute the respective payments of the principal of and interest on the 2004A Bonds and redemption price due from the Successor Agency.

Upon payment of the 2004A Bonds in accordance with the terms of the 2004A Indenture, all obligations of the Authority and the Trustee with respect to the 2004A Bonds shall cease and terminate. The Escrow Bank is hereby irrevocably instructed to provide the notice of redemption required by, and containing the elements set forth in, Section 2.02(d) of the 2004A Bonds Indenture.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Bank to the Successor Agency and deposited by the Successor Agency in the Debt Service Fund relating to the 2015A Bonds. Any moneys remaining in the Escrow Fund established hereunder after April 20, 2015 (aside from unclaimed monies referred to in the previous sentence) which are in excess of the amount needed to pay owners of the 2004A Bonds payments of principal and interest with respect to the 2004A Bonds or to pay any amounts owed to the Escrow Bank shall be immediately transferred by the Escrow Bank to the Successor Agency and deposited by the Successor Agency in the Debt Service Fund relating to the 2015A Bonds.

(c) Priority of Payments. The owners of the 2004A Bonds shall have a first lien on the moneys in the Escrow Fund which are allowable and sufficient to pay the 2004A Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the Escrow Fund are irrevocably pledged only to the owners of the 2004A Bonds.

(d) Termination of Obligation. As provided in the 2004A Indenture, upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, all obligations of the Authority and the Trustee with respect to the 2004A Bonds

shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 5. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective employees or the willful breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, to accomplish the refunding and defeasance of the 2004A Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Successor Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the monies deposited to accomplish the refunding and defeasance of the 2004A Bonds or to the validity of this Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Successor Agency.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank 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 Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank 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 Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank'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 Escrow Bank, including without limitation the risk of the Escrow Bank 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 Escrow Bank 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 Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 7. Amendments. This Agreement is made for the benefit of the Successor Agency and the owners from time to time of the 2004A Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Successor Agency; provided, however, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2004A Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the 2004A Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section 7, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the 2004A Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 7. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 8. Standard & Poor's. The Successor Agency agrees to provide Standard & Poor's, a Division of the McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 7 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 7 hereof, and (ii) any action relating to severability or contemplated by Section 11 hereof.

SECTION 9. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the 2004A Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 10. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Agreement.

SECTION 11. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 12. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 13. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 14. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 16. Resignation or Removal of Escrow Bank. The procedures set forth in Sections 6.06, 6.07 and 6.09 of the 2004A Indenture relating to the resignation and removal and merger of the 2004A Trustee under the 2004A Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

SECTION 17. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

SECTION 18. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust Department, Fax: (415) 273-2492 E-mail: keith.sevigny@unionbank.com, with a copy to: AccountAdministration-CorporateTrust@unionbank.com. Any notice to or demand upon the Successor Agency or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency at 1735 Montgomery Street, Oroville, California 95965, Attention: Executive Director (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

[Remainder of Page Intentionally Left Blank]

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

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

OROVILLE PUBLIC FINANCING AUTHORITY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

MUFG UNION BANK, N.A.,
as Escrow Bank and 2004A Trustee

By: _____
Authorized Officer

2004 SERIES B BONDS ESCROW AGREEMENT

THIS 2004 SERIES B BONDS ESCROW AGREEMENT, dated as of April 1, 2015 (the "Agreement"), by and among the Successor Agency to the Oroville Redevelopment Agency (the "Successor Agency"), the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., acting in its capacity as escrow bank (the "Escrow Bank"), and the 2004B Trustee (as defined below) is entered into in accordance with an Indenture of Trust, dated as of July 1, 2004 (the "2004B Indenture"), by and among the Oroville Public Financing Authority (the "Authority") and MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A. (the "2004B Trustee"), to refund all of the outstanding 2004B Bonds (as defined below).

WITNESSETH:

WHEREAS, the Authority has previously issued its 2004 Taxable Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) (the "2004B Bonds"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Oroville Redevelopment Agency (the "Prior Agency") being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service; and

WHEREAS, the Successor Agency pursuant to resolutions adopted by the Successor Agency on December 16, 2014 and March 3, 2015 (the "Resolutions"), determined that it is in the Successor Agency's best interest to issue the Five Hundred Twenty-Five Thousand Dollars (\$525,000) Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015B (Taxable) (the "2015B Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"), and together with certain other money deposited by the Successor Agency, proceeds of the 2015B Bonds will be used to provide the funds to pay all regularly scheduled payments of principal and interest, as they accrue, through and including September 15, 2016 (final maturity) (the "Debt Service Payments"); and

WHEREAS, by irrevocably depositing with the Escrow Bank moneys (as permitted by, in the manner prescribed by, and all in accordance with the 2004B Indenture), which moneys will be used to purchase securities satisfying the criteria set forth in Section 9.03 of the 2004B Indenture as described on Schedule A hereto (the "Federal Securities"), provided the principal of and the interest on the Federal Securities when paid will provide money, which moneys, together with the moneys

deposited with the Escrow Bank at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the 2004B Bonds;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys. The Successor Agency hereby instructs the 2004B Trustee to transfer the following from the funds and accounts held with respect to the 2004B Bonds (\$ _____ from the _____ Fund and \$ _____ from the _____ Fund). The Successor Agency hereby instructs the Escrow Bank to deposit (i) \$509,925.04 received from the Trustee from a portion of the net proceeds of the sale of the 2015B Bonds and (ii) \$76,158.71 transferred by the 2004B Trustee from funds and accounts held with respect to the 2004B Bonds, into the Escrow Fund established hereunder. The Escrow Bank shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established to be known as the "Escrow Fund" and to be applied solely as provided in this Agreement. The Successor Agency hereby instructs the Escrow Bank to apply \$586,083.75 of the moneys set forth above to purchase the Federal Securities listed in Schedule A hereto, [and to hold \$ _____ uninvested as cash].

SECTION 2. Investment of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A hereto and to deposit such Federal Securities in the Escrow Fund. The Escrow Bank shall be entitled to rely upon the conclusion of Grant Thornton LLP, Minneapolis, Minnesota (the "Verification Agent"), that the Federal Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay when due with respect to the 2004B Bonds, all Debt Service Payments.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Successor Agency, the Escrow Bank shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the Successor Agency, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay when due all Debt Service Payments with respect to the 2004B Bonds.

SECTION 4. Substitution of Securities. Upon the written request of the Successor Agency, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Bank shall sell, redeem or otherwise dispose of the Federal Securities, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the Successor Agency has obtained and delivered to the Escrow Bank a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay when due, all Debt Service Payments with respect

to the 2004B Bonds. The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2004B Bonds.

(a) Payment. From the maturing principal of the Federal Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Bank shall apply the amounts on deposit in the Escrow Fund to pay when due, all Debt Service Payments with respect to the 2004B Bonds.

(b) Irrevocable Instructions to Provide Notice. The forms of the notice required to be mailed pursuant to Sections 2.02(d) and 9.03 of the 2004B Indenture are substantially in the forms attached hereto as Exhibits A and B. The Agency hereby irrevocably instructs the Escrow Bank to mail a notice of prepayment and a notice of defeasance of the 2004B Bonds in accordance with Sections 2.02(d) and 9.03, respectively, of the 2004B Indenture, as required to provide for the prepayment of the 2004B Bonds in accordance with this Section 5.

(c) Unclaimed Moneys. Any moneys which remain unclaimed for two years after September 15, 2016 shall be repaid by the Escrow Bank to the Successor Agency.

(d) Priority of Payments. The owners of the 2004B Bonds shall have a first and exclusive lien on all moneys and securities in the Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2004B Indenture, upon deposit of moneys with the Escrow Bank in the Escrow Fund as set forth in Section 1 hereof and the purchase of the various Federal Securities as provided in Section 2 hereof, the owners of the 2004B Bonds shall cease to be entitled to the pledge of and lien on the Revenues as provided in the 2004B Indenture, and all agreements and covenants of the Authority and the Trustee under the 2004B Indenture shall cease, terminate and become void and shall be discharged and satisfied, except as set forth in the 2004B Indenture.

SECTION 6. Application of Certain Terms of the 2004B Indenture. All of the terms of the 2004B Indenture relating to the making of payments of principal and interest with respect to the 2004B Bonds and relating to the exchange or transfer of the 2004B Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Sections 6.06, 6.07 and 6.08 of the 2004B Indenture relating to the resignation and removal and merger of the 2004B Trustee under the 2004B Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

SECTION 7. Performance of Duties. The Escrow Bank agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 8. Escrow Bank's Authority to Make Investments. Except as provided in Section 2, 3, 4, and 5 hereof, the Escrow Bank shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Federal Securities held hereunder.

SECTION 9. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank's respective employees or the willful breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

SECTION 10. Responsibilities of Escrow Bank. The Escrow Bank and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the retention of the Federal Securities or the proceeds thereof, the sufficiency of the Federal Securities to pay the 2004B Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Successor Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2004B Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Successor Agency.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Successor Agency with respect to escrowed funds which were to be invested in securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Successor Agency. In the absence of investment instructions from the Successor Agency, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Successor Agency's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank 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 Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank 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 Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank'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 Escrow Bank, including without limitation the risk of the Escrow Bank 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 Escrow Bank 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 Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected

by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 11. Amendments. This Agreement is made for the benefit of the Successor Agency and the owners from time to time of the 2004B Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Successor Agency; provided, however, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2004B Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the 2004B Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2004B Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 12. Notice to Standard & Poor's. The Successor Agency agrees to provide Standard & Poor's, a Division of the McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 11 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 11 hereof, and (ii) any action relating to severability or contemplated by Section 15 hereof.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2004B Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 5(c) of this Agreement.

SECTION 14. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert any lien

whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 18. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 20. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

SECTION 21. Insufficient Funds. If at any time the Escrow Bank has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Bank shall notify the Successor Agency in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Bank shall have no responsibility regarding any such deficiency.

SECTION 22. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust Department, Fax: (415) 273-2492, E-mail: keith.sevigny@unionbank.com, with a copy to: AccountAdministration-CorporateTrust@unionbank.com. Any notice to or demand upon the Successor Agency or the Authority shall be

deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency at 1735 Montgomery Street, Oroville, California 95965, Attention: Executive Director (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

[Remainder of Page Intentionally Left Blank]

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

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

OROVILLE PUBLIC FINANCING AUTHORITY

By: _____
Linda L. Dahlmeier, Chairperson

ATTEST:

Donald Rust, Acting Secretary

MUFG UNION BANK, N.A.,
as Escrow Bank and 2004B Trustee

By: _____
Authorized Officer

SCHEDULE A

Federal Securities

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>
SLGS Certificate	April 8, 2015	\$		\$
SLGS Note	September 15, 2015	185,266.25		185,266.25
SLGS Note	March 15, 2016	7,908.75		7,908.75
SLGS Note	September 15, 2016	292,908.75		292,908.75

EXHIBIT A

NOTICE OF PREPAYMENT

**OROVILLE PUBLIC FINANCING AUTHORITY
2004 Taxable Tax Allocation Revenue Bonds, Series B
(Oroville Redevelopment Project No. 1)**

BASE CUSIP NO. 68723X

NOTICE IS HEREBY GIVEN to the owners of the above-captioned 2004 Taxable Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) (the "2004B Bonds") of the Oroville Public Financing Authority (the "Authority") pursuant to the Indenture of Trust, dated as of July 1, 2004 (the "2004B Indenture"), by and between the Authority and MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee (the "2004B Trustee"), that the 2004B Bonds in the aggregate principal amount of \$ _____ have been called for prepayment on September 15, 2016 (the "Prepayment Date").

2004B Bonds

<i>CUSIP</i>	<i>Bond Payment Date (September 15)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
DA5	2015	5.45%	\$ 270,000	100%
DB3	2016	5.55	285,000	100

The 2004B Bonds will be payable on the Prepayment Date at a prepayment price of 100% of the principal amount plus accrued interest to such date (the "Prepayment Price"). Subject to prior rescission as referenced below, the Prepayment Price of the 2004B Bonds will become due and payable on the Prepayment Date. Interest with respect to the 2004B Bonds to be prepaid will cease to accrue on and after the Prepayment Date, and such 2004B Bonds will be surrendered to the 2004B Trustee.

All Certificates are required to be surrendered to the principal corporate office of the 2008 Trustee, on the Prepayment Date at the following location. If the Certificates are mailed, the use of registered, insured mail is recommended:

<i>By Hand:</i>	<i>By Registered or Certified Mail:</i>	<i>By Air Courier:</i>
MUFG Union Bank, N.A. Corporate Trust Services 120 South San Pedro Street Suite 410 Los Angeles, CA 90012	MUFG Union Bank, N.A. Corporate Trust Services 120 South San Pedro Street Suite 410 Los Angeles, CA 90012	MUFG Union Bank, N.A. Corporate Trust Services 120 South San Pedro Street Suite 410 Los Angeles, CA 90012

If the Owner of any 2004B Bond subject to optional prepayment fails to deliver such 2004B Bond to the 2004B Trustee on the Prepayment Date, such 2004B Bond shall nevertheless be deemed prepaid on the Prepayment Date and the Owner of such 2004 Bond shall have no rights in respect thereof except to receive payment of the Prepayment Price from funds held by the 2004B Trustee for such payment.

A form W-9 must be submitted with the 2004 Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if the tax identification number is not properly certified.

MUFG UNION BANK, N.A., as Trustee

DATED this __ day of _____, 2016.

EXHIBIT B

NOTICE OF DEFEASANCE

**OROVILLE PUBLIC FINANCING AUTHORITY
2004 Taxable Tax Allocation Revenue Bonds, Series B
(Oroville Redevelopment Project No. 1)**

BASE CUSIP NO. 68723X

NOTICE IS HEREBY GIVEN to the owners of the above-captioned 2004 Taxable Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) (the "2004B Bonds") of the Oroville Public Financing Authority (the "Authority"), that the Successor Agency to the Oroville Redevelopment Agency has deposited with MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee (the "2004B Trustee") under the Trust Agreement, dated as of July 1, 2004 (the "2004B Indenture"), by and among the Authority and the 2004B Trustee, cash and Federal Securities (as defined in the 2004B Indenture) sufficient to pay with respect to the 2004B Bonds, all regularly scheduled payments of principal and interest through and including September 15, 2016 and to pay on September 15, 2016 the principal maturing on and after September 15, 2016, plus interest with respect thereto accrued to such date, without premium.

The 2004B Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Bond Payment Date (September 15)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
DA5	2015	5.45%	\$270,000	100%
DB3	2016	5.55	285,000	100

In accordance with the 2004B Indenture, the 2004 Bonds are deemed to have been paid in accordance with Section 9.03 thereof and the obligations of the Authority under the 2004B Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

MUFG UNION BANK, N.A., as Trustee

DATED this 8th day of April, 2015.