



Agenda Item B.1
DISCUSSION/ACTION ITEM
Meeting Date: January 21, 2020

TO: Goleta RDA Successor Agency Chair and Agency Members

FROM: Luke Rioux, Finance Director
Jaime A. Valdez, Principal Project Manager

SUBJECT: 2020 Tax Allocation Refunding Bonds

RECOMMENDATION:

Adopt Resolution No. 20-___entitled, "A Resolution of the Successor Agency to the Redevelopment Agency for the City of Goleta Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount Not to Exceed \$16,000,000 and Approving the Form of an Indenture of Trust, a Form of Escrow Agreement, a Form of Bond Purchase Agreement, a Form of Continuing Disclosure Certificate, and a Preliminary Official Statement, and Authorizing Certain Other Actions in Connection Therewith."

BACKGROUND:

Pursuant to Assembly Bill No. 1X 26, as modified by Assembly Bill No. 1484 and as further modified by Senate Bill No. 107, which added Parts 1.8 and 1.85 to Division 24 of the Health and Safety Code ("Dissolution Act"), the former Redevelopment Agency for the City of Goleta ("Former Agency") was dissolved on February 1, 2012 and the Successor Agency to the Redevelopment Agency for the City of Goleta ("Successor Agency") was vested with all authority, rights, powers, duties and obligations of the Former Agency.

Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refinance outstanding debt obligations to produce debt service savings. A successor agency is generally not permitted to issue bonds that would increase the overall indebtedness of the successor agency or provide additional proceeds to be expended, but it can issue bonds to refund prior debt obligations and effectuate debt service savings. In such circumstances, the successor agency's debt service payments will be reduced, and the taxing entities will receive additional revenues as residual Redevelopment Property Tax Trust Fund moneys. Successor Agency Staff has identified such an opportunity which is presented in this agenda report.

In 2011, the Redevelopment Agency for the City of Goleta (the "Prior Agency") issued \$16,085,000 of Goleta Old Town Redevelopment Project, 2011 Tax Allocation Bonds (Redevelopment Projects) (the "Prior Bonds") to fund the construction of a major storm water channel in Old Town Goleta.

Presently, the Prior Bonds are outstanding in the amount of \$14,355,000 and are eligible for prepayment on any date at par. Successor Agency Staff has determined, in consultation with its Municipal Advisor, that the current market conditions are favorable for the issuance of refunding bonds to refund and defease the Prior Bonds for debt service savings pursuant to Health and Safety Code Section 34177.5(a)(1).

The Successor Agency Board is being asked to approve the issuance of refunding bonds in an amount not to exceed \$16,000,000 by the Successor Agency to refund the Prior Bonds for debt service savings in accordance with the Dissolution Act and to approve forms of various bond documents.

If the Successor Agency Board approves the proposed financing, the Santa Barbara Countywide Oversight Board will consider approving the proposed financing at its meeting on January 22, 2020. If the Oversight Board adopts its Resolution and the other materials submitted by the Successor Agency, then the Oversight Board action will be subject to approval by the California Department of Finance ("DOF"). Pursuant to Health and Safety Code Section 34177.5(f), DOF has up to 65 days to review the Oversight Board's action, which process is expected to conclude in late March.

DISCUSSION:

The proposed Tax Allocation Refunding Bonds, Series 2020A (the "2020 Bonds") are estimated to have a par amount of \$12.45 million and a final maturity of December 1, 2043. Final interest rates and the resulting savings will not be determined until the 2020 Bonds are priced. The par value is the principal amount of money that bond issuers promise to repay bondholders at the maturity date of the bond. The Successor Agency is responsible for ensuring that the requirements of the Dissolution Act, including the debt service savings requirement, are met when the 2020 Bonds are priced. Debt service for the 2020 Bonds will be supported by a pledge of all property tax revenues deposited into the Successor Agency's Redevelopment Property Tax Trust Fund, after payment of pass-through obligations and certain other obligations of the Successor Agency.

AB 1484 permits successor agencies to refund outstanding bonds and other obligations of a former redevelopment agency, subject to the approval of the successor agency, oversight board and the DOF. Because the impact of the refunding would be to reduce the interest costs associated with the Prior Bonds, it is anticipated that DOF will not object to the action. Further, the refunding of the Prior Bonds is contemplated by the Settlement Agreement entered into between the Successor Agency and DOF relating to the Successor Agency's due diligence review report. Successor agencies throughout the State have successfully refunded outstanding debt.

As shown in the Municipal Advisor Report attached hereto as Attachment 3, based on market conditions as of December 11, 2019, it is anticipated that a current refunding of the Prior Bonds will produce net present value savings of approximately \$8.7 million over the life of the indebtedness and an annual average reduction in bond payments of \$479,249 between 2021 and 2043. However, the total level of savings will depend upon

market conditions at the time of sale, which will occur after all appropriate government agency action is taken and the documents referenced below are finalized.

Summary of Savings Results for the 2020 Bonds*

Net Present Value Savings (\$)	\$8,702,490
Net Present Value Savings (% of Par Value Refunded)	60.62%
Avg. Annual Savings (Bond Year 2021-2043)	\$479,249
Total Debt Service Savings	\$12,651,500

*Estimated savings are based on current market rates; subject to change.

The distribution of estimated average annual savings to the affected taxing entities is listed below:

Fund Name	% Allocated	Est. Avg. Annual Savings
COUNTY GENERAL	15.88%	\$ 76,105
CITY OF GOLETA *	5.39%	\$ 25,817
S.B. CO FIRE PROTECTN DIST	11.48%	\$ 54,995
SB CO FLOOD CONTROL	0.26%	\$ 1,245
SO COAST FLOOD ZONE	1.12%	\$ 5,347
SB CO WATER AGENCY	0.33%	\$ 1,605
GOLETA CEMETERY	0.26%	\$ 1,236
SB METRO TRANSIT	0.23%	\$ 1,114
MOSQUITO & VECTOR MGT DIST GEN	0.18%	\$ 843
CACHUMA RCD	0.00%	\$ -
GOLETA SANITARY DIST	0.21%	\$ 998
GOLETA UNION SCHOOL	30.14%	\$ 144,439
SANTA BARBARA HIGH	14.59%	\$ 69,925
SB COMM COLLEGE	5.10%	\$ 24,452
CO SCHOOL ADMIN CSSF	3.51%	\$ 16,799
ERAF	11.34%	\$ 54,328
TOTAL	100.00%	\$ 479,249

Staff recommends adoption of proposed Resolution (Attachment 2). The Resolution approves all documents and actions needed to authorize the issuance and sale of the 2020 Bonds, including the following substantially final form financing documents together with any changes or additions deemed advisable and approved by any Authorized Officer:

- Indenture of Trust between the Successor Agency and the Trustee (Bank of New York Mellon Trust Company, N.A), which sets forth the material terms and provisions relating to the 2020 Bonds and whereby the Trustee agrees to certain rights and duties related to the 2020 Bonds.

- Escrow Agreement between the Successor Agency and the Escrow Agent (Bank of New York Mellon Trust Company, N.A.), containing terms by which the Escrow Agent will hold the 2020 Bond proceeds on behalf of the owners of the Prior Bonds to pay and discharge these Bonds on the redemption date, and give proper notice to the owners.
- Bond Purchase Agreement between the Successor Agency and the Underwriter (Stifel, Nicolaus & Company, Inc.), pursuant to terms and provisions of which the 2020 Bonds will be sold with a negotiated method of sale, such terms and provisions including an underwriter's discount not to exceed 0.65% of the principal amount of the 2020 Bonds.
- Preliminary Official Statement ("POS"), which will be distributed to prospective purchasers of the 2020 Bonds that must contain all facts material to the 2020 Bonds and the Agency (with certain permitted exceptions to be completed in the final Official Statement) and must not omit any material facts. The POS is required to satisfy the Successor Agency's obligation under federal securities laws to provide material information to potential purchasers of the 2020 Bonds and must be accurate and complete in all material respects.
- Continuing Disclosure Certificate delivered by the Successor Agency for the benefit of owners of the 2020 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. This document describes various annual and period reporting and disclosure obligations of the Successor Agency, as required by federal securities laws.

The settlement of DOF litigation in September of 2018 regarding the former Redevelopment Agency's Other Funds and Account Due Diligence Review—inclusive of the 2011 Bonds proceeds—contemplated the Successor Agency pursuing this action. One of the principal terms of the agreement stated that upon request of the Successor Agency and in compliance with all applicable laws, DOF will authorize Successor Agency to refund the 2011 Tax Allocation Bonds in order to reduce overall debt service payments for the benefit of the taxing entities.

FISCAL IMPACTS:

As illustrated in the table above, an estimated \$8.7 million in net present value savings and \$12.65 million in total debt service savings would be generated by refinancing the Prior Bonds. Savings would be distributed among various taxing entities, including the City. It is estimated that the refinancing will result in an average annual increase of \$25,817 in property tax revenues to the City between 2021 and 2043.

In accordance with California Government Code Section 5852.1, good faith estimates of certain financial aspects of the 2020 Bonds are provided with respect to the 2020 Bonds in Attachment 1.

ALTERNATIVES:

The Successor Agency may elect not to approve the Resolution authorizing the issuance and sale of the 2020 Bonds, in which case the refinancing of the Prior Bonds would be delayed or terminated.

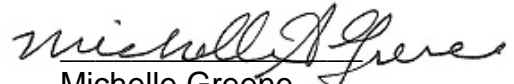
Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENTS:

1. Good Faith Estimates
2. Resolution No. 20-___ entitled, ““A Resolution of the Successor Agency to the Redevelopment Agency for the City of Goleta Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount of Not to Exceed \$16,000,000 and Approving the Form of an Indenture of Trust, a Form of Escrow Agreement, a Form of Bond Purchase Agreement, a Form of Continuing Disclosure Certificate, and a Preliminary Official Statement, and Authorizing Certain Other Actions in Connection Therewith.”
3. Municipal Advisor Report
4. Form of Indenture of Trust
5. Form of Escrow Agreement
6. Form of Bond Purchase Agreement
7. Form of Preliminary Official Statement
8. Form of Continuing Disclosure Certificate, attached as an appendix to the form of Preliminary Official Statement

ATTACHMENT 1:

Good Faith Estimates

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Agency by Urban Futures, Inc. as municipal advisor to the Agency (the "Municipal Advisor"), each with respect to the Bonds.

Principal Amount. The Municipal Advisor has informed the Agency that, based on the Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$12,450,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Agency that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.23%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Agency that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$282,144.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Agency that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Agency for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserve fund funded with proceeds of the Bonds, is \$12,992,372.

Total Payment Amount. The Municipal Advisor has informed the Agency that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Agency will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$20,285,638.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization

assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Agency's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Agency based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Agency.

ATTACHMENT 2:

Resolution No. 20-__ entitled, ““A Resolution of the Successor Agency to the Redevelopment Agency for the City of Goleta Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount of Not to Exceed \$16,000,000 and Approving the Form of an Indenture of Trust, a Form of Escrow Agreement, a Form of Bond Purchase Agreement, a Form of Continuing Disclosure Certificate, and a Preliminary Official Statement, and Authorizing Certain Other Actions in Connection Therewith.”

RESOLUTION NO. 20-__

RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS IN AN AMOUNT OF NOT TO EXCEED \$16,000,000, AND APPROVING THE FORM OF AN INDENTURE OF TRUST, A FORM OF ESCROW AGREEMENT, A FORM OF BOND PURCHASE AGREEMENT, A FORM OF CONTINUING DISCLOSURE CERTIFICATE, AND A PRELIMINARY OFFICIAL STATEMENT, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency for the City of Goleta (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 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, a Redevelopment Plan for the Goleta Old Town Redevelopment Project was adopted and approved, and amended from time to time, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; 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 dissolution of the redevelopment component of the Prior Agency as of February 1, 2012; and

WHEREAS, the Prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Redevelopment Agency for the City of Goleta (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, the Prior Agency issued the \$16,085,000 initial aggregate principal amount Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project, 2011 Tax Allocation Bonds (collectively, the “Prior Obligations”); and

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

WHEREAS, the Successor Agency now desires to authorize and approve the issuance of tax allocation refunding bonds (the "2020 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2020 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2020 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

WHEREAS, the 2020 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2020 Bonds; and

WHEREAS, good faith estimates of certain information relating to the 2020 Bonds is set forth in the staff report submitted to the Successor Agency herewith as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures Inc., the City's Municipal Advisor.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2020 Bonds, in one or more series, and from time to time, in an aggregate principal amount of not to exceed \$16,000,000, or such lesser amount as is sufficient to refund all or a portion of the Prior Obligations listed on Exhibit A for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2020 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2020 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this

Resolution. The proceeds of the sale of the 2020 Bonds shall be applied as provided in the Indenture. The 2020 Bonds may be issued as a single issue, or from time to time, in separate series of taxable or tax-exempt bonds, as the Successor Agency shall determine. The approval of the issuance of the 2020 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds and the sale of the 2020 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

Section 2. The form of the Indenture of Trust (the “Indenture”) presented herewith, providing for the issuance of the 2020 Bonds, is hereby approved. The Chair, the Executive Director, the Finance Director, any member of the governing board of the Successor Agency or their respective written designee (each an “Authorized Officer” and collectively, the “Authorized Officers”) are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Indenture, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. If the Bonds are to be sold in separate series at different times, each of the Authorized Officers is hereby authorized and directed in the name of the Successor Agency to execute any supplement to the Indenture to provide for the issuance of such series of Bonds consistent with the terms of the Resolution.

Each of the Authorized Officers is hereby authorized and directed to execute and countersign each of the 2020 Bond forms on behalf of the Successor Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2020 Bonds on behalf of the Successor Agency. In case either of such officers whose signature appears on the 2020 Bond forms shall cease to be such officer before the delivery of the 2020 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2020 Bonds.

Section 3. The Preliminary Official Statement relating to the 2020 Bonds (the “Preliminary Official Statement”), in the form presented at this meeting and on file with the Secretary, is hereby approved. Each of the Authorized Officers, acting alone, is authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, relating to the Preliminary Official Statement, and each of the Authorized Officers, acting alone, is further authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement, and is further authorized to make such changes, insertions and omissions to the form of the Preliminary Official Statement and final Official Statement as may be recommended by the Successor Agency’s General Counsel or Stradling Yocca Carlson & Rauth, A Professional Corporation, Bond Counsel to the Successor Agency, and approved by the officer executing the same, said execution being conclusive evidence of such approval. Stifel, Nicolaus & Company, Incorporated, serving as Underwriter, is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the 2020 Bonds and is

directed to deliver copies of any final Official Statement to all actual purchasers of the 2020 Bonds.

Section 4. The form of the Escrow Agreement presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Escrow Agreements for each of the Prior Obligations in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of the Continuing Disclosure Certificate presented herewith as an appendix to the Preliminary Official Statement is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver a Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, as Underwriter, in the form presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's discount (exclusive of original issue discount) does not exceed 0.65% of the principal amount of the Bonds and shall be consistent with the parameters for the sale of the Bonds set forth in this Resolution.

Section 7. Each of the Authorized Officers and other appropriate officers of the Successor Agency, acting alone, is authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts that they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2020 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2020 Bonds, the Indenture, the Preliminary Official Statement, the Continuing Disclosure Certificate, the Bond Purchase Agreement and the Escrow Agreement, each in order to facilitate the issuance of the 2020 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, to amend any of the legal documents entered in connection with the Prior Obligations in order to effectuate the defeasance and refunding of such Prior Obligations, to execute irrevocable refunding instructions with respect to the Prior Obligations, to secure municipal bond insurance on the 2020 Bonds and/or a reserve surety or reserve policy to fund any reserve account or fund established for the 2020 Bonds, if available (which may include entering into a mutual

insurance agreement(s) therefor), to request subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2020 Bonds, as the Authorized Officer may require or approve, in consultation with Bond Counsel and the Successor Agency's municipal advisor, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 8. Stradling Yocca Carlson & Rauth, A Professional Corporation, is hereby approved and appointed as Bond Counsel and Disclosure Counsel, Urban Futures Inc. is hereby approved and appointed as Municipal Advisor and Fiscal Consultant, The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee and Escrow Bank, and Stifel, Nicolaus & Company, Incorporated is hereby selected as Underwriter, each to provide such services and any other related services as may be required to issue the 2020 Bonds and to defease and/or refund the Prior Obligations.

Section 9. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 10. This Resolution shall take effect immediately upon its adoption by the governing board of the Successor Agency, and the Secretary shall certify the vote adopting this resolution.

PASSED, APPROVED AND ADOPTED at a meeting of the Goleta RDA Successor Agency on the 21st day of January, 2020.

PAULA PEROTTE, CHAIR

ATTEST:

APPROVED AS TO FORM:

DEBORAH LOPEZ
AGENCY SECRETARY

MICHAEL JENKINS
AGENCY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 20-__ was duly adopted by the Goleta RDA Successor Agency at a meeting held on the 21st day of January, 2020 by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

DEBORAH LOPEZ
AGENCY SECRETARY

ATTACHMENT 3:

Municipal Advisor Report

DRAFT MEMORANDUM

TO: Successor Agency to the Redevelopment Agency for the City of Goleta

FROM: Urban Futures, Inc.
Wing-See Fox, Managing Director

DATE: December 11, 2019

RE: **Independent Municipal Advisor's Report: Debt Service Savings Analysis for Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A**

Background

The Successor Agency to the Redevelopment Agency for the City of Goleta (the "Agency") is authorized under Section 34177.5 of the State Health and Safety Code to issue refunding tax allocation bonds ("TABs") for economic savings within the parameters set forth in Section 34177.5(a)(1) of the State Health and Safety Code (the "Savings Parameters"). In addition, Section 34177.5(h) of the State Health and Safety Code provides, in relevant part, that the Agency "...shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the Department of Finance at its request." Urban Futures, Inc., has been retained by the Agency to serve as its independent municipal advisor to determine compliance with the Savings Parameters for purposes of the issuance by the Agency of its Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A ("2020 Bonds").

This report may be used in presentations to the Agency Board and Oversight Board but actual savings will be final only after the pricing of the 2020 Bonds. The 2020 Bonds will be issued to current refund the Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds (Redevelopment Projects) (the "2011 Bonds" or the "Prior Bonds").

Plan of Refunding

The Agency has selected Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to structure and negotiate the refunding of the 2011 Bonds. The financing goal is to maximize economic savings by reducing total debt service.

The City's Municipal Debt Management Policy, which was updated and approved by the City Council on April 20, 2018, establishes a minimum savings threshold goal of 3% of the refunded bond principal amount or at least \$200,000 in Net Present Value savings (including foregone interest earnings) unless there are other public policy reasons for the refunding. Based on market conditions as of 12/11/2019, the Underwriter projects the refunding of the Prior Bonds with proceeds of the 2020 Bonds will achieve a Net Present Value savings of approximately \$8.7 million, or 60.6% of refunded par, as shown in Table 3. The Underwriter's estimates include the following key assumptions: (i) all of the outstanding Prior Bonds will be refunded, (ii) an underlying rating of "A" is assigned by S&P to the 2020 Bonds, and (iii) the use of a

fully-funded cash debt service reserve fund. The savings generated from this refunding are anticipated to result in higher property tax distributions to the City of Goleta and other taxing entities in the future. It is estimated that the City of Goleta will receive a 5.39% share of the savings.

Refunding Results

Table 1 below shows the estimated sources and uses for the 2020 Bonds.

Table 1: Sources and Uses of Funds		
Sources:		
Par Amount	\$	12,450,000
Premium		1,687,817
	\$	14,137,817
Reserve Account Release	\$	1,356,392
Debt Service Fund Release		508,824
	\$	1,865,217
Total Sources of Funds	\$	16,003,033
Uses:		
Refunding Escrow Deposit	\$	14,857,589
Debt Service Reserve Fund	\$	863,300
Costs of Issuance	\$	200,000
Underwriter's Discount		80,925
Rounding Amount		1,219
Total Uses of Funds	\$	16,003,033

Tables 2 and 3 below show estimated nominal debt service savings and Net Present Value savings based on market conditions as of 12/11/2019.

Table 2: Refunding Debt Service Savings						
	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	
12/1/2020	\$ 1,335,825	\$ (508,824)	\$ 827,001	\$ 534,638	\$ 292,363	
12/1/2021	1,337,500		1,337,500	859,800	477,700	
12/1/2022	1,337,650		1,337,650	856,600	481,050	
12/1/2023	1,340,025		1,340,025	863,000	477,025	
12/1/2024	1,335,900		1,335,900	858,600	477,300	
12/1/2025	1,335,650		1,335,650	858,800	476,850	
12/1/2026	1,338,900		1,338,900	858,400	480,500	
12/1/2027	1,340,275		1,340,275	862,400	477,875	
12/1/2028	1,338,925		1,338,925	861,400	477,525	
12/1/2029	1,335,638		1,335,638	853,800	481,838	
12/1/2030	1,335,413		1,335,413	855,800	479,613	
12/1/2031	1,337,863		1,337,863	857,000	480,863	
12/1/2032	1,337,600		1,337,600	857,400	480,200	
12/1/2033	1,338,400		1,338,400	857,000	481,400	
12/1/2034	1,336,000		1,336,000	855,800	480,200	
12/1/2035	1,340,400		1,340,400	863,300	477,100	
12/1/2036	1,335,800		1,335,800	854,900	480,900	
12/1/2037	1,337,600		1,337,600	855,900	481,700	
12/1/2038	1,340,000		1,340,000	860,900	479,100	
12/1/2039	1,337,600		1,337,600	859,700	477,900	
12/1/2040	1,340,400		1,340,400	862,500	477,900	
12/1/2041	1,337,600		1,337,600	857,000	480,600	
12/1/2042	1,339,200		1,339,200	860,000	479,200	
12/1/2043	1,339,400		1,339,400	861,000	478,400	
12/1/2044	1,336,400		1,336,400		1,336,400	
Total	\$ 33,445,963	\$ (508,824)	\$ 32,937,138	\$ 20,285,638	\$ 12,651,500	

Table 3: Net PV Savings Summary	
PV of savings from cash flow	\$ 9,194,363
Less: Prior funds on hand	\$ (1,356,392)
Plus: Refunding funds on hand	\$ 864,519
Net PV Savings	\$ 8,702,490
Net PV Savings as % of Refunded Par	60.62%

Proposed Refunding Complies With State Law

Based on the 2020 Bonds proposed structure and the projected debt service savings according to numbers prepared by the Underwriter, Urban Futures, Inc. concludes that the 2020 Bonds comply with the Savings Parameters as described below.

A. Total debt service (principal and interest) on the refunding bonds is less than total debt service on the refunded bonds (sec. 34177.5(a)(1)(A)): Section 34177.5(a)(1)(A) requires that the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded. Table 2 shows projected total nominal debt service savings from the refunding of the Prior Bonds of \$12.65 million, calculated as (i) total debt service on the Prior Bonds, minus (ii) total debt service on the 2020 Bonds. Net Present Value savings is projected to be approximately \$8.7 million, or 60.6% of refunded par, which satisfies the Savings Parameters and is well above the minimum City threshold of 3% of refunded par.

B. Refunding bonds principal shall be used only for refunding purposes, not for new-money (sec. 34177.5(a)(1)(B)): Section 34177.5(a)(1)(B) requires that the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. Table 1 includes the projected sources and uses of funds for the 2020 Bonds, showing that all proceeds are used only for purposes associated with refunding the Prior Bonds and to pay related costs of issuance. No proceeds of the 2020 Bonds will be used for any other purposes, including new-money purposes.

C. Agency shall make diligent efforts to ensure lowest long-term cost financing is obtained, to structure refunding that does not provide for any bullets or spikes or variable rates, and shall hire an independent financial advisor (sec. 34177.5(h)): Section 34177.5(h) requires the Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained and that the financing not provide for any bullets or spikes or use variable rates. The Agency has retained Urban Futures, Inc., an independent financial advisor registered with the SEC and MSRB, to monitor the pricing of the 2020 Bonds. In order to achieve the lowest long-term cost of financing, the financing team will explore the use of bond insurance and a surety.

In accordance with Section 34177.5(h), the proposed refunding structure does not provide for any bullet principal maturities, debt service spikes or variable rate debt.

ATTACHMENT 4:

Form of Indenture of Trust

INDENTURE OF TRUST

Dated as of _____ 1, 2020

by and between the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA**

and

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

Relating to

**\$ _____
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS, SERIES 2020A**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of _____ 1, 2020, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA, a public entity duly existing under the laws of the State of California (the “Successor Agency”), as successor to the redevelopment activities of the Redevelopment Agency for the City of Goleta (the “Former Agency”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Former Agency is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State (collectively, as amended, the “Law”), including the power to issue bonds and incur debt for any of its corporate purposes;

WHEREAS, a Redevelopment Plan for the Goleta Old Town Redevelopment Project (the “Project Area”) of the Former Agency was adopted and amended from time to time pursuant to ordinances of the City of Goleta (the “City”) set forth in Exhibit B, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, in order to finance and refinance redevelopment activities within or of benefit to the Project Area, the Former Agency issued its Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds (the “2011 Bonds”);

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the redevelopment components of the Former Agency were dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency assumed certain redevelopment components, including the redevelopment related duties and obligations, of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the 2011 Bonds and the related documents to which the Former Agency was a party;

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance;

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purposes and within the parameters set forth in said Section 34177.5;

WHEREAS, the Successor Agency desires to refund the 2011 Bonds pursuant to AB 1484 in order to achieve debt service savings;

WHEREAS, in order to provide moneys to refund the 2011 Bonds in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2020A (the “2020 Bonds”);

WHEREAS, the 2020 Bonds will be secured by a pledge of and lien on the Pledged Tax Revenues (defined herein), subject to (i) the payment by the County Auditor Controller of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to Sections 33607.5, 33607.7 and 33676 of the Law (unless such payments are subordinated to payments on the 2020 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act), and (ii) the payment by the Successor Agency of amounts due under the Prior Agreement (defined herein);

WHEREAS, in order to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2020 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds (as defined below), including the 2020 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2020 Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds, including the 2020 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2020 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2020 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 2020 Bonds in the manner and form provided in this Indenture.

Section 1.02 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Bonds” means the 2020 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

“Bond Counsel” means (a) Stradling Yocca Carlson & Rauth, a Professional Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Year” means each twelve (12) month period extending from December 2 in one calendar year to December 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2020 Bonds shall commence on the Closing Date and end on December 1, 2020.

“Business Day” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

“City” means the City of Goleta.

“Closing Date” means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2020 Bonds is _____, 2020.

“Code” means the Internal Revenue Code of 1986, as amended.

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

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and Escrow Bank and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Santa Barbara.

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

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

“Defeasance Obligations” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S.

Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

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

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.10.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

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

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

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

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

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

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

“Former Agency” means the Redevelopment Agency for the City of Goleta.

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

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

(a) is in fact independent and not under domination of the Successor Agency or the City;

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

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

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

(a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under domination of the Successor Agency or the City;

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

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

“Information Services” means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

“Insurer” means the 2020 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to other Bonds.

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

“Interest Payment Date” means each June 1 and December 1, commencing _____ 1, 2020, for so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

“Late Payment Rate” means, as calculated by the Insurer, the lesser of (a) 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 (any change in such rate of interest 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 (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. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.]

“Maximum Annual Debt Service” means, as of the date of calculation, the largest amount of principal and interest payments due with respect to the current or any future Bond Year payable in such Bond Year. For purposes of such calculation, there shall be excluded payments with respect to each series of Bonds to the extent that amounts due with respect to such series of Bonds are prepaid or otherwise discharged in accordance with this Indenture.

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

“Nominee” means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.10(a).

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

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

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Santa Barbara Countywide Oversight Board established pursuant to Section 34179 of the Dissolution Act.

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

“Parity Debt” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2020 Bonds pursuant to Section 3.05, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

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

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

“Permitted Investments” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, and a rating by Moody’s of Aaa, Aa1 or Aa2 (such funds may include those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise);

(e) Unsecured certificates of deposit (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase “A-1+” or better by S&P and “P-1” by Moody’s and or certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for

purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody's and Fitch;

(f) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Successor Agency, time deposits, deposit accounts, demand deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, or bankers acceptances of depository institutions, or interest bearing money market deposits or accounts (including those of the Trustee, its parent and its affiliates) that are fully insured by FDIC, including BIF and SAIF;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "Aa" or better by Moody's and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moody's and "AA" or better by S&P;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1+" by S&P; and

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

Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories.

"Pledged Tax Revenues" means all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited or available for deposit by the County Auditor-Controller in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

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

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and

exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Prior Agreement” means that certain Affordable Housing Assistance Agreement – Sumida Gardens Apartments APN 071-330-012, dated November 19, 2007, by and between the Former Agency and Sumida Gardens, L.P., as assignee of the Sumida Family Limited Partnership, a California limited partnership, as amended from time to time.

“Project Area” means the Goleta Old Town Redevelopment Project.

“Qualified Reserve Account Credit Instrument” means (i) the 2020 Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee with respect to other Bonds, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company at the time of issuance of such Qualified Reserve Account Credit Instrument of “A” (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to the Bonds with respect to which it is deposited or with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

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

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

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

“Redevelopment Plan” means the Redevelopment Plan for the Project Area described in Exhibit B, as such Redevelopment Plan has heretofore been amended and as it may hereafter be amended in accordance with the law.

“Redevelopment Project” means the undertaking of the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

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

“Refunding Fund” means the 2020 Refunding Fund established and held by the Trustee pursuant to Section 3.04.

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

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

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

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

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

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

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

“Reserve Requirement” means, subject to Section 4.03(c) of this Indenture, with respect to the 2020 Bonds or any series (or multiple series) of Parity Debt for which a reserve is to be funded and as of any date of computation, the lesser of:

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

(ii) Maximum Annual Debt Service with respect to such series (or multiple series) of Bonds, or

(iii) with respect to such series (or multiple series) of Bonds, 10% of the original principal amount of such series (or multiple series) of Bonds (or, if such series (or multiple series) of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series (or multiple series) of Bonds);

provided, that in no event shall the Successor Agency, in connection with the issuance or incurrence of Parity Debt be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified

Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof. For the avoidance of doubt, the Reserve Requirement for any Bonds may, at the option of the Successor Agency, be determined on a combined or standalone basis. As of the Closing Date, the Reserve Requirement for the 2020 Bonds is \$_____; the Reserve Requirement for the 2020 Bonds shall not increase following the Closing Date.

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

“S&P” means S&P Global Ratings and its successors.

“Securities Depositories” means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

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

“State” means the State of California.

“Supplemental Indenture” means any supplement to this Indenture which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

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

“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 or Finance Director of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose.

“2011 Bonds” means the Redevelopment Agency for the City of Goleta Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds.

“2011 Bonds Escrow Agreement” means that certain 2011 Bonds Escrow Agreement dated as of _____, 2020, by and between the Successor Agency and the Escrow Bank, relating to the 2011 Bonds.

“2020 Bonds” means the \$_____ initial aggregate principal amount of Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A.

“2020 Insurance Policy” means the insurance policy issued by the 2020 Insurer guaranteeing the scheduled payment of principal of and interest on the 2020 Bonds when due.

“2020 Insurer” means _____, or any successor thereto or assignee thereof.

“2020 Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2020 Insurer guaranteeing certain payments into the Reserve Account with respect to the 2020 Bonds as provided therein and subject to the limitation set forth therein.

Section 1.03 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01 Authorization of 2020 Bonds. One initial issue of Bonds is hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. Such initial issue of Bonds shall be designated the “Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A.” The 2020 Bonds shall be issued in the initial aggregate principal amount of \$_____.

Section 2.02 Terms of 2020 Bonds. The 2020 Bonds shall be issued in fully registered form without coupons. The 2020 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2020 Bond shall have more than one maturity date. The 2020 Bonds shall be dated as of their Closing Date. The 2020 Bonds shall be lettered and numbered as the Participating Underwriter shall prescribe.

The 2020 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (December 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
12/1/2020	\$	%
12/1/2021		
12/1/2022		
12/1/2023		
12/1/2024		
12/1/2025		
12/1/2026		
12/1/2027		
12/1/2028		
12/1/2029		
12/1/2030		
12/1/2031		
12/1/2032		
12/1/2033		
12/1/2034		
12/1/2035		
12/1/2036		
12/1/2037		
12/1/2038		
12/1/2039		
12/1/2040		
12/1/2041		
12/1/2042		
12/1/2043		

Each 2020 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before _____ 15, 2020, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2020 Bond, interest thereon is in default, such 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2020 Bonds (including the final interest payment upon maturity or redemption) is payable when due by wire or check of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of 2020 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2020 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2020 Bonds and premium, if any, upon redemption, are payable

in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03 Redemption of 2020 Bonds.

(a) Optional Redemption. The 2020 Bonds maturing on or prior to December 1, 20__ are not subject to optional redemption. The 2020 Bonds maturing on or after December 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after December 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

(b) Mandatory Sinking Fund Redemption. The 2020 Bonds maturing _____ 1, 20__ (the "2020 Term Bonds") shall also be subject to mandatory redemption in whole, or in part by lot, on _____ 1 in each year, commencing _____ 1, 20__, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following table; provided however, that (y) in lieu of redemption thereof such 2020 Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(i), and (z) if some but not all of such 2020 Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2020 Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

2020 Term Bonds of 20__

December 1

Principal Amount

\$

(c) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to any Bond Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the

redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

(d) The Successor Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

(e) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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

(g) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(h) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(i) Purchase in Lieu of Redemption. In lieu of redemption of the Bonds, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Bonds required to be redeemed pursuant to a Supplemental Indenture on December 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1. The prior written approval of the 2020 Insurer shall be required with respect to the purchase of any 2020 Bonds hereunder unless such 2020 Bonds so purchased are cancelled upon purchase.

Section 2.04 Form of 2020 Bonds. The 2020 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or its Finance Officer or the written designee of either 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 hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

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

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption. The Trustee may further require all information it deems necessary to allow the Trustee to comply with any applicable reporting or withholding obligations under the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. To the extent any such information is not timely provided or is incomplete or inaccurate in any respect, the Trustee will be entitled to report or withhold on any payments hereunder, without liability, to the extent it determines in its discretion such reporting or withholding, as applicable, is required under the Code.

Section 2.07 Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same series, tenor and maturity and of other authorized denominations. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption. The Trustee may further require all information it deems necessary to allow the Trustee to comply with any applicable reporting or withholding obligations under the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. To the extent any such information is not timely provided or is incomplete or inaccurate in any respect, the Trustee will be entitled to report or withhold on any payments hereunder, without liability, to the extent it determines in its discretion such reporting or withholding, as applicable, is required under the Code.

Section 2.08 Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection and copying by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency

may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.10 Book-Entry System.

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

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter

representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

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

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

Section 2.11 Applicability of Provisions to Parity Debt. Unless otherwise provided in a Supplemental Indenture, the provisions of subdivisions (c) through (i) of Section 2.03 and Sections 2.05 through 2.10 shall apply to all Bonds.

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

Section 3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the 2020 Bonds in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2020 Bonds upon the Written Request of the Successor Agency.

Section 3.02 Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date the proceeds of sale of the 2020 Bonds received by the Trustee shall be applied as follows:

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

(b) The Trustee shall transfer \$_____ to the Escrow Bank for deposit into the escrow fund established under the 2011 Bonds Escrow Agreement.

The Trustee may establish and maintain for so long as is necessary one or more temporary funds and accounts under this Indenture, including but not limited to a temporary fund for holding the proceeds of the Bonds.

Section 3.03 Costs of Issuance Fund. There is hereby established a separate fund to be known as the “Costs of Issuance Fund”, which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2020 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts and shall be fully protected in relying thereon. On the date which is six (6) months following the Closing Date with respect to the 2020 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund, and the Costs of Issuance Fund shall be closed.

Section 3.04 Reserved.

Section 3.05 Issuance of Parity Debt. In addition to the 2020 Bonds, the Successor Agency may issue Parity Debt to refund any outstanding 2020 Bonds or Parity Debt for savings, in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) No Event of Default hereunder or an event of default under any Parity Debt Instrument shall have occurred and be continuing unless cured by the issuance of such Parity Debt;

(b) The Parity Debt shall be issued to provide savings to the Successor Agency in compliance with Health and Safety Code Section 34177.5(a);

(c) A Supplemental Indenture or Parity Debt Instrument shall have been adopted which shall (i) state the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Parity Debt in a separate account of the Reserve Account to be held as separate security for such series of Parity Debt, or, if the Parity Debt will be secured by the Reserve Account on a parity with the 2020 Bonds or other Parity Debt, the common reserve requirement for such series of Parity Debt shall be specified in the Supplemental Indenture; (ii) designate accounts in the Debt Service Fund and accounts therein including the Reserve Account to be applicable to such Parity Debt; and (iii) set forth such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof; and

(d) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

Section 3.06 Issuance of Subordinate Debt. Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2020 Bonds and Parity Debt. Subordinate debt issued as bonds shall be payable on the same dates as the Bonds unless otherwise consented to by the 2020 Insurer.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security. Subject to the provisions of Section 4.02 and Section 6.06 hereof allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the 2011 Bonds, are irrevocably pledged under this Indenture to secure the payment of the principal of and interest on the 2020 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the 2011 Bonds, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, the parties hereto acknowledge that the County Auditor-Controller is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2020 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or 34177.5(c) of the Dissolution Act), and provided further that the Successor Agency is required to make payments from Pledged Tax Revenues under the Prior Agreement on a basis senior to the 2020 Bonds. Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2020 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2020 Bonds and other Bonds.

The Debt Service Fund and any fund or account or sub-accounts created under this Indenture, including amounts on deposit therein (including proceeds of the 2020 Bonds), are irrevocably pledged under this Indenture to secure the payment of the principal of and interest on the 2020 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture, and including amounts on deposit therein (including proceeds of the 2020 Bonds), and will attach, be

perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture.

The parties acknowledge that Section 34177.5(g) of the Dissolution Act provides that the 2020 Bonds and Parity Debt are further secured by a pledge of, and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the County Auditor Controller related to the Successor Agency, which moneys, subject to (i) the payment by the County Auditor Controller of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2020 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act), and (ii) the payment by the Successor Agency of amounts due under the Prior Agreement, constitute Pledged Tax Revenues as defined herein.

In consideration of the acceptance of the 2020 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2020 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2020 Bonds and other Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02 Redevelopment Obligation Retirement Fund; Special Fund; Deposit of Pledged Tax Revenues. There is hereby established a special fund to be known as the “Special Fund” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period into the Special Fund promptly upon receipt thereof by the Successor Agency in accordance with Section 5.13 hereof. Except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, upon receipt by the Successor Agency of money from the Redevelopment Property Tax Trust Fund requested in accordance with Section 5.13, subdivisions (b) or (c), as applicable, on each January 2 and June 1 or other date(s) on which Redevelopment Property Tax Trust Fund moneys are distributed to the Successor Agency, and deposit of such amounts into the Special Fund, all Pledged Tax Revenues received by the Successor Agency in excess of such amounts shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law and the Dissolution Act, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or other Parity Debt Instrument.

Section 4.03 Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. If Parity Debt is issued, the Trustee shall establish subaccounts within each account for each issue of Parity Debt, including a separate subaccount of the Reserve Account as security for Parity Debt pursuant to a Supplemental Indenture to the extent provided under Section 3.05 hereof, if applicable. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2020 Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency and the Trustee shall deposit amounts received from the Successor Agency into sub-accounts of the Interest Account and/or Principal Account, as applicable, on a pro-rata basis):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of _____ 1, 20__ (with respect to the 2020 Bonds), the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable. The Trustee shall establish sub-accounts within the Interest Account for the payment of interest due on the 2020 Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.

(b) Principal Account. On or before the fifth (5th) Business Day preceding December 1 in each year beginning December 1, 2020 (with respect to the 2020 Bonds), the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds, including pursuant to mandatory sinking account redemption, on the next December 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next December 1 on all of the Outstanding Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, including by mandatory sinking account redemption, as the same shall become due and payable. The Trustee shall establish sub-accounts within the Principal Account for the payment of principal due on the 2020 Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments of 2020 Bonds payable by the Successor Agency pursuant to this Section 4.03 which shall in each case be held by the Trustee in trust for the benefit of the Owners of the 2020 Bonds, provided separate subaccounts may be established in the Reserve Account as separate security for any future issue of Parity Debt. The Reserve Requirement for the 2020 Bonds (calculated on a standalone basis) will be satisfied by

the delivery of the 2020 Reserve Policy by the 2020 Insurer on the Closing Date with respect to the 2020 Bonds. The Successor Agency will have no obligation to replace the 2020 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2020 Bonds are Outstanding, any rating assigned to the 2020 Insurer is downgraded, suspended or withdrawn or amounts are not available under the 2020 Reserve Policy, other than in connection with a draw on the 2020 Reserve Policy.

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

The amounts available under the 2020 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2020 Bonds.

Moneys, if any, on deposit in the Reserve Account (or the applicable subaccount therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the 2020 Bonds (or the applicable account therein, respectively). The Trustee shall compute the Reserve Requirement annually on or before December 1.

In no event shall amounts in the Reserve Account (exclusive of subaccounts therein, which shall be applied in accordance with the terms of the Supplemental Indenture providing for Parity Debt) be applied to payment of any Bonds or Parity Debt other than 2020 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the applicable series of Bonds in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and hereunder to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Account or subaccount thereof in excess of the applicable Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each June 1 and December 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. On the Business Day preceding the final Interest Payment Date for a series of Bonds (or multiple series of Bonds issued under this Indenture or a single Parity Debt Instrument), all amounts held in the applicable subaccount of the Reserve Account shall be withdrawn from the Reserve Account and shall be transferred to the applicable subaccounts of the Interest Account and the Principal Account, in such order, for such series of Bonds, to the

extent required to make the deposits then required to be made pursuant to this Section 4.03, or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

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

The Reserve Account shall be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Separate series of Parity Debt may be secured by common sub-accounts of the Reserve Account as provided in one or more Supplemental Indentures and/or Parity Debt Instruments from time to time.

Section 4.04 Rebate Fund. The Trustee shall establish a separate fund for the 2020 Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2020 Bonds will not be adversely affected, the Successor Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the 2020 Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the 2020 Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall

be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Successor Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Successor Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Bond Year with respect to the 2020 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 Bond 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 Bond Year with respect to the 2020 Bonds, upon the Finance Director’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.04(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Director, 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 Bond Year with respect to the 2020 Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than 60 days after the payment of all the 2020 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 4.04(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2020 Bonds and the payments described in Section 4.04(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.04 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the 2020 Bonds and any Parity Debt.

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

Section 4.05 Provisions Relating to 2020 Insurance Policy. [TO COME]

Section 4.06 Provisions Relating to 2020 Reserve Policy. [TO COME]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

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

Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues (i) on a basis senior to the Bonds or (ii) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds or other Parity Debt, and then only if the requirements of Section 3.05 are met. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

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

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

Section 5.05 Books and Accounts; Financial Statements. The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2020 Insurer, any other Insurer and the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, on or before each April 1 so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2020 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. The Trustee shall have no obligation to review, verify or analyze any financial statements provided to it by the Successor Agency and shall hold such financial statement solely as a repository for the benefit of the Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein, or default or Event of Default which may be disclosed therein in any manner.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2020 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2020 Insurer may reasonably request.

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

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

Section 5.08 Taxation of Leased Property. All amounts derived by the Successor Agency pursuant to Section 33673 of the Law with respect to the lease of property for redevelopment shall be treated as Pledged Tax Revenues for all purposes of this Indenture.

Section 5.09 Disposition of Property. The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2020 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition. This Section 5.09 shall not apply to the disposition of properties to the City pursuant to the Successor Agency's Long Range Property Management Plan prepared pursuant to Health and Safety Code Section 34191.4.

Section 5.10 Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues as provided in the Dissolution Act.

Section 5.11 Tax Covenants. In connection with the 2020 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 2020 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 2020 Bonds and Parity Debt issued on a tax-exempt basis will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the 2020 Bonds or Parity Debt issued on a tax-exempt basis or of any other monies or property which would cause the 2020 Bonds or Parity Debt to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The Successor Agency will make no use of the proceeds of the 2020 Bonds or Parity Debt issued on a tax-exempt basis 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 2020 Bonds or Parity Debt issued on a tax-exempt basis to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The Successor Agency will make no use of the proceeds of the 2020 Bonds or Parity Debt issued on a tax-exempt basis or take or omit to take any action that would cause the 2020 Bonds or the Parity Debt issued on a tax-exempt basis to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

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

(e) Hedge Bonds. The Successor Agency will make no use of the proceeds of the 2020 Bonds or any Parity Debt issued on a tax-exempt basis 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 2020 Bonds or the Parity Debt issued on a tax-exempt basis 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 2020 Bonds and any Parity Debt issued on a tax-exempt basis for federal income tax purposes; and

(f) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of 2020 Bonds and Parity Debt issued on a tax-exempt basis and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 5.12 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding 2020 Bonds, shall, but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.13 Compliance with the Dissolution Act.

(a) The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

Further, it will take all actions required under the Dissolution Act to include:

(i) scheduled debt service on the 2020 Bonds and any Parity Debt and any amount required under this Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument,

(ii) amounts due to any Insurer hereunder or under an insurance or surety bond agreement, and

(iii) amounts due under the Prior Agreement,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period, to pay amounts owed to any Insurer, as well as the other amounts set forth above.

(b) In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller that shall include, from the first Pledged Tax Revenues distributed to the Successor Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to prior payments described in Section 4.01): (i) all debt service due on all Outstanding 2020 Bonds and Parity Debt coming due during such Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the 2020 Insurer hereunder or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2020 Insurer hereunder or to any other Insurer). The Successor Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest coming due during the applicable Bond Year from the RPTTF moneys to be distributed to the Successor Agency on the January 2 RPTTF distribution date during such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the RPTTF on June 1 during such Bond Year.

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

(d) [In the event the Successor Agency fails to provide the Oversight Board or the Department of Finance with a Recognized Obligation Payment Schedule by the statutory deadlines, the Successor Agency designates the 2020 Insurer as its attorney-in-fact with the power to make such a request relating to the 2020 Bonds; provided however, that the 2020 Insurer will provide a copy of such request to the Successor Agency prior to such submission. With respect to Recognized Obligation Payment Schedules, if any amounts payable to the 2020 Insurer are not

included on the then current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to the extent permitted by law.]

Section 5.14 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 5.15 [Last and Final Recognized Obligation Payment Schedule. As long as the 2020 Bonds are Outstanding and the 2020 Insurer is not in default under the 2020 Reserve Policy or the 2020 Insurance Policy, the Successor Agency will not submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the California Health and Safety Code without the prior written consent of the 2020 Insurer, unless all amounts that could become due and payable to the 2020 Insurer under this Indenture would be included as a line item on the last and final Recognized Obligation Payment Schedule following approval of the requested final amendment.]

Section 5.16 [Meet and Confer; Recognized Obligation Payment Schedule. The Successor Agency shall provide the 2020 Insurer with copies of all Recognized Obligation Payment Schedules submitted and any and all correspondence received from the Department of Finance relating to or which could affect payments on the Bonds upon receipt, except for requests for copies of agreements or other supporting documentation by the Department of Finance to support a Recognized Obligation Payment Schedule submitted by the Successor Agency. Documents posted by the Department of Finance under their existing procedures on the Department of Finance website shall meet this requirement. In the event that the Successor Agency is a party to a meet and confer with the Department of Finance that relates to the payment of debt service on or security for the 2020 Bonds or Policy Costs, the Successor Agency shall notify the 2020 Insurer and, if the subject of the meet and confer could prevent timely payment of or impair the security for the 2020 Bonds or Policy Costs, the 2020 Insurer shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as the Insurer determines in its discretion. In the event the Successor Agency receives a Recognized Obligation Payment Schedule denial, whether relating to the 2020 Bonds or not, and such denial could prevent timely and full payment of debt service on the 2020 Bonds, the Successor Agency agrees to cooperate in good faith with the 2020 Insurer and the 2020 Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the Department of Finance and to discuss such matters with the Department of Finance directly.]

ARTICLE VI

THE TRUSTEE

Section 6.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the

existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners and any Insurer notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing, with notice of such appointment to be furnished to any Insurer. In each case such removal shall be accomplished by the giving of at least thirty (30) days' written notice of such removal by the Successor Agency to the Trustee whereupon the Successor Agency shall immediately 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 only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee and after being paid its fees and expenses then due and owing to it, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties,

rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the any Insurer and the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Successor Agency agrees that, so long as any Bonds are Outstanding, the Trustee shall be: (i) a financial institution having a trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority; (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets; or (iii) an entity otherwise approved by all Insurers in writing. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

Section 6.03 Liability of Trustee.

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

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

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

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee as finally determined by a court of competent jurisdiction. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

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

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

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

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee

shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

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

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

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

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Trustee

and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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

Section 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

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

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

experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

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

Section 6.07 Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least two (2) Business Days in advance of the making of such investments, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account (pro-rata among sub-accounts); *provided, however*, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions 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 monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

If applicable, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of any tax-exempt Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing generally recognized pricing services (including brokers and dealers in securities) that may be available to it including those available through its regular accounting system and rely conclusively and without liability thereon.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Successor Agency at their present value (within the meaning of Section 148 of the Code). Investments on deposit in the Reserve Account shall be valued semiannually two (2) Business Days preceding each June 1 and December 1 at their Fair Market Value.

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

Section 6.09 Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, including any

covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

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

(c) to provide for the issuance of Parity Debt in accordance with Section 3.05; or

(d) if applicable, to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or

(e) to comply with amendments or supplements to the Dissolution Act; or

(f) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of each Insurer (but only with respect to any Bonds insured by such Insurer) and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture adversely affect the security for the Bonds or modify any of the rights or obligations of any Insurer without its prior written consent. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the 2020 Bonds or the rights of the Owners of the 2020 Bonds, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no 2020 Insurance Policy.

Section 7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor

Agency may, with the prior written consent of any Insurer, determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

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

Section 7.05 Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and, if applicable, does not adversely affect the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Successor Agency of written notice from the Trustee or any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by

the Successor Agency (with the prior written consent of any Insurer) within such thirty (30) day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time as approved by any Insurer;

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

(d) The principal of any Parity Debt shall be declared immediately due and payable under the terms of a Parity Debt Instrument.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default has occurred under this Section and is continuing, the Trustee may, with the consent of the 2020 Insurer, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (z) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity, including an action in mandamus.

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

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest

on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to any Insurer and the Owners of all Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds then Outstanding, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02 Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the 2020 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding 2020 Bonds or Parity Debt (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 2020 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest; and

Third, to the payment of amounts required to restore the Reserve Account to the Reserve Requirement and to repay any amounts owed to the 2020 Insurer in connection with a draw on the 2020 Reserve Policy.

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

majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Successor Agency, the Trustee and any Insurer written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

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

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

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

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

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

Section 8.08 Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

Section 8.09 Rights of 2020 Insurer. Any reorganization or liquidation plan with respect to the Successor Agency must be acceptable to the 2020 Insurer. In the event of any reorganization or liquidation of the Successor Agency, the 2020 Insurer shall have the right to vote on behalf of all holders of the 2020 Bonds absent a continuing failure by the 2020 Insurer to make a payment under the 2020 Insurance Policy.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a Default, the 2020 Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the 2020 Bonds or the Trustee for the benefit of the holders of the 2020 Bonds under the Indenture. No Default may be waived without the 2020 Insurer's written consent. Further, in the event of a Default with respect to the 2020 Bonds, the 2020 Insurer shall have the right to direct the replacement of the Trustee.

Section 8.10 2020 Insurer as Owner. Upon the occurrence and continuance of a Default, the 2020 Insurer shall be deemed to be the sole owner of the 2020 Bonds for all purposes under the Indenture, including, without limitations, for purposes of exercising remedies and approving amendments.

Section 8.11 Special Provisions for 2020 Insurer Default. If a 2020 Insurer Default shall occur and be continuing, then, notwithstanding anything herein to the contrary, (1) if at any time prior to or following a 2020 Insurer Default, the 2020 Insurer has made payment under the 2020 Insurance Policy, to the extent of such payment the 2020 Insurer shall be treated like any other holder of the 2020 Bonds, for all purposes, including giving of consents, and (2) if the 2020 Insurer has not

made any payment under the 2020 Insurance Policy, the 2020 Insurer shall have no further consent rights until the particular 2020 Insurer Default is no longer continuing or the 2020 Insurer makes a payment under the 2020 Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, “2020 Insurer Default” means: (A) the 2020 Insurer has failed to make any payment under the 2020 Insurance Policy when due and owing in accordance with its terms; or (B) the 2020 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the 2020 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2020 Insurer (including without limitation under the New York Insurance Law).

ARTICLE IX

MISCELLANEOUS

Section 9.01 Special Obligations. The Bonds are special obligations of the Successor Agency secured by a pledge and lien as described in Section 4.01 hereof. The Bonds are not debts, liabilities or obligations of the City of Goleta, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

Section 9.02 Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, each Insurer, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, such Insurers and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, each Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Section 9.03 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 9.04 Discharge of Indenture.

(a) If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

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

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

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

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 amounts, funds and accounts described in Section 4.01 hereof and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

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

[To the extent that any of the Bonds to be defeased are 2020 Bonds, at least three Business Days prior to any defeasance, the Successor Agency shall deliver to the 2020 Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of such 2020 Bonds, and a verification report (a "Verification Report") prepared by an Independent Accountant regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to such Insurer and shall be in form and substance satisfactory to the 2020 Insurer. In addition, the escrow agreement shall provide that: a) any substitution of securities shall require the delivery of a verification report, and b) the

Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of such Insurer.]

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

Section 9.05 Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

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

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

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

Section 9.06 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.07 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 9.08 Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.09 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the Successor Agency: Successor Agency to the
Redevelopment Agency for the City of Goleta
130 Cremona Drive, Suite B
Goleta, California 93117
Attention: Executive Director

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Corporate Trust Department

If to the Insurer: [to come]

Attention:

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

Section 9.10 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Finance Officer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its 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 Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 9.11 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the

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

Section 9.12 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 9.13 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA has caused this Indenture to be signed in its name by its Executive Director, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
CITY OF GOLETA

By: _____
Executive Director

ATTEST:

Secretary

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

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BOND, SERIES 2020A

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (as defined below), unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before _____ 15, 2020, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on June 1 and December 1 in each year, commencing _____, 2020 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office (the "Principal Corporate Trust Office") of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A” (the “Bonds”), of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of _____ 1, 2020, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Bonds.

The Bonds are being issued in the form of registered Bonds without coupons. Additional Parity Debt 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 Dissolution Act and 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. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds issued by the Former Agency with respect to the Project Area and to pay certain expenses of the Successor Agency in issuing the Bonds.

The Bonds are special obligations of the Successor Agency and this Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of Santa Barbara, subject to the payment of certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities and payments required to be made under the Prior Agreement on a basis senior to the Bonds as provided in the Dissolution Act and this Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund into which Pledged Tax Revenues deposited by the Auditor-Controller of the County of Santa Barbara in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds and any additional Bonds (as defined in the Indenture).

[The 2020 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as provided in the Indenture.]

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

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

This Bond is transferable upon the Registration Books, by the person in whose name it was registered, in person or by a duly authorized attorney of such person upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, if any, or (b) any Bond selected for redemption, if any.

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

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

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

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

those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention 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 Redevelopment Agency for the City of Goleta has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
CITY OF GOLETA

By: _____
Executive Director

ATTEST:

Secretary

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

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

Authentication Date: _____, 2020

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

By: _____
Authorized Signatory

[FORM OF STATEMENT OF INSURANCE]

[FORM OF ASSIGNMENT]

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

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney,
to transfer the same on the registration books of the Trustee with full power of substitution in the
premises.

Dated: _____

Signatures Guaranteed:

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

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

EXHIBIT B
REDEVELOPMENT PLAN

Goleta Old Town Redevelopment Project

The Redevelopment Plan for the Goleta Old Town Redevelopment Project (“Redevelopment Plan”) was adopted on or about June 16, 1988 by County of Santa Barbara Ordinance No. 4326. The City of Goleta activated the Former Agency on February 1, 2002 by Ordinance No. 02-08 and assumed the responsibility of administering the Redevelopment Plan on April 15, 2002 by Ordinance No. 02-19. The Redevelopment Plan was subsequently amended by Ordinance No. 07-05 on May 21, 2007.

ATTACHMENT 5:

Form of Escrow Agreement

2011 BONDS ESCROW AGREEMENT

This ESCROW AGREEMENT (the “Agreement”), dated as of _____ 1, 2020, is by and between the Successor Agency to the Redevelopment Agency for the City of Goleta (the “Agency”), as successor to the Redevelopment Agency for the City of Goleta (the “Prior Agency”), and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in Los Angeles, California, and being qualified to accept and administer the escrow hereby created (the “Escrow Bank”).

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust dated as of March 1, 2011 (the “Prior Indenture”), by and between the Prior Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Prior Trustee”), the Prior Agency issued its \$16,085,000 initial aggregate principal amount the Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds (the “Refunded Bonds”); and

WHEREAS, pursuant to an Indenture of Trust dated as of _____ 1, 2020 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, the Agency issued its Tax Allocation Refunding Bonds, Series 2020A (the “Refunding Bonds”), for the purpose of providing moneys which, together with certain other amounts held under the Prior Indenture, will be sufficient to pay on _____, 2020 (the “Redemption Date”), the principal of the Refunded Bonds maturing after the Redemption Date at a redemption price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium (the “Redemption Price”); and

WHEREAS, a portion of the proceeds of the Refunding Bonds shall be set aside in order to provide for the payment of the Refunded Bonds and such proceeds shall be deposited in a special escrow fund to be created hereunder and maintained by the Escrow Bank (the “Escrow Fund”) (which shall be deemed to be the Redemption Account maintained under the Prior Indenture); and

WHEREAS, the Agency has taken action to cause to be delivered to the Escrow Bank, for deposit in the Escrow Fund, proceeds of the Refunding Bonds for the purchase of certain securities and investments consisting of direct noncallable obligations of the United States of America as listed on Schedule A attached hereto and made a part hereof (the “Investment Securities”), in an amount which, together with the cash deposit described herein and the income to accrue on such Investment Securities, is intended by the Agency to be sufficient, upon the maturity of such Investment Securities, to redeem the Refunded Bonds maturing on and after December 1, 2020 on the Redemption Date at the Redemption Price;

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

Section 1. Establishment, Funding and Maintenance of Escrow Fund.

(a) The Escrow Bank agrees to establish and maintain the Escrow Fund until final payment of the Refunded Bonds has been paid in full and to hold the securities, investments and moneys therein at all times as a special and separate escrow fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Bank). The Agency hereby instructs

the Prior Trustee to transfer \$_____ from the funds and accounts maintained with respect to the Refunded Bonds pursuant to the Prior Indenture to the Escrow Bank for deposit in the Escrow Fund. The Agency hereby instructs the Escrow Bank to deposit \$_____ received from the Trustee from a portion of the net proceeds of the sale of the Refunding Bonds into the Escrow Fund. The Escrow Bank shall purchase Investment Securities as described in Schedule A at a cost of \$_____ and shall hold \$_____ uninvested in cash.

(b) The Escrow Bank hereby acknowledges receipt of the verification report of _____ dated _____, 2020 relating to the Investment Securities (the "Verification Report") with respect to the Agency's defeasance of the Refunded Bonds in the manner and to the extent provided by law and in Section 9.03 of the Prior Indenture.

Section 2. Investment of the Escrow Fund.

(a) The Agency and the Escrow Bank each shall take all remaining action, if any, necessary to have the Investment Securities issued and registered in the name of the Escrow Bank for the account of the Escrow Fund. Except as otherwise provided in this Section, the Escrow Bank shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested.

(b) Upon the written direction of the Agency, but subject to the conditions and limitations herein set forth, the Escrow Bank shall sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and purchase with the proceeds derived from such sale, transfer, redemption or other disposition noncallable, non prepayable obligations constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America (the "Substitute Investment Securities"). Such sale, transfer, redemption or other disposition of Investment Securities and purchase of Substitute Investment Securities shall be effected by the Escrow Bank upon the written direction of the Agency but only by a simultaneous transaction and only if (i) a nationally recognized firm of independent certified public accountants shall certify that (a) the Substitute Investment Securities, together with the Investment Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Investment Securities and Substitute Investment Securities held in the Escrow Fund, together with any uninvested moneys therein, to make all payments required by Section 3 hereof which have not previously been made, and (b) the amounts and dates of the anticipated payments by the Escrow Bank of the principal and interest on the Refunded Bonds will not be diminished or postponed thereby, and (ii) the Escrow Bank shall receive an unqualified opinion of nationally recognized municipal bond attorneys to the effect that the proposed sale, transfer, redemption or other disposition and substitution of Investment Securities will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunding Bonds and the Refunded Bonds.

(c) Upon the written direction of the Agency, but subject to the conditions and limitations herein set forth, the Escrow Bank will apply any moneys received from the maturing principal of or interest or other investment income on any Investment Securities and Substitute Investment Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Investment Securities pursuant to Section 2(b) not required for the purposes of said Section, as follows: to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as certified by a nationally recognized firm of

independent certified public accountants, such moneys shall be transferred to the Agency upon the written direction of the Agency as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing hereunder or under the Prior Indenture.

Section 3. Payment of the Refunded Bonds. The Agency hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on the Investment Securities and Substitute Investment Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and, subject to the provisions of Section 2 hereof, to pay such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to the Prior Trustee for the payment of the Refunded Bonds at the places and in the manner stipulated in the Refunded Bonds and in the Prior Indenture. The Prior Trustee hereby confirms that it provided the Notice of Redemption in the form attached hereto as Schedule D on _____, 2020, pursuant to Section 2.03 of the Prior Indenture, in accordance with instructions previously delivered by the Agency to the Prior Trustee. The Agency hereby irrevocably instructs the Prior Trustee to (i) provide the Notice of Defeasance in substantially the form set forth in Schedule C hereto, and (ii) file such Notice of Defeasance with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the internet at <http://emma.msrb.org/>. In accordance with Sections 2.03 and 9.03 of the Prior Indenture, the Escrow Bank is irrevocably instructed to redeem the Refunded Bonds maturing after December 1, 2020 on the Redemption Date at the Redemption Price. Upon payment in full of the Refunded Bonds, the Escrow Bank shall transfer any moneys or securities remaining in the Escrow Fund to the Agency and this Agreement shall terminate. The Escrow Fund cash flow is set forth in Schedule B attached hereto.

Section 4. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of the Investment Securities and any Substitute Investment Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Bank shall notify the Agency in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the Agency shall have no liability for any deficiency and shall not be required to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund.

Section 5. Fees and Costs.

(a) The Agency shall pay to the Escrow Bank from time to time reasonable compensation for all services rendered under this Agreement and shall reimburse the Escrow Bank for all out of pocket expenses (including reasonable legal fees and expenses) incurred hereunder.

(b) The fees of and the costs incurred by the Escrow Bank shall in no event be deducted or payable from, or constitute a lien against, the Escrow Fund.

Section 6. Merger or Consolidation. 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, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 7. Indemnity. To the maximum extent permitted by law, the 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, directors, officers, 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 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 purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or 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 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 successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the 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 8. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, 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 purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Refunded 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 Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Refunded 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 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 and no implied covenants or

obligations shall be read against the Escrow Bank hereunder. The Escrow Bank may consult with counsel, who may or may not be counsel to the 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. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. 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 Agency.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Escrow Bank and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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: 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 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 Agency whenever a person is to be added or deleted from the listing. If the 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 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 Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the 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 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 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 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 Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

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 Investment Securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Agency with respect to escrowed funds which were to be invested in Investment 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 Agency. In the absence of investment instructions from the 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 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 no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Agreement.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

Section 9. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Agency; provided, however, that if the Agency and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds and the Bonds will not be adversely affected thereby, they 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 materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, 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 Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to,

or conferred upon, such owners or the Escrow Bank; (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants) and shall hold funds received by it uninvested. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 9, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 9.

Section 10. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Refunded Bonds and relating to the exchange or transfer of the Refunded Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VI of the Prior Indenture relating to the removal, resignation and merger of the Prior Trustee under the Prior 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 removal, resignation or merger of the Escrow Bank hereunder.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

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

Section 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 14. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Prior Indenture.

Section 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Agency provided, however, that an assignment made pursuant to Section 6 hereof shall not require prior written consent.

Section 16. 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 which the principal office of the Escrow Bank is located 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency for the City of Goleta and The Bank of New York Mellon Trust Company, N.A. have caused this Agreement to be executed each on its behalf as of the day and year first above written.

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

By: _____
Authorized Officer

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
CITY OF GOLETA

By: _____
Executive Director

SCHEDULE A
INVESTMENT SECURITIES

<i>Type</i>	<i>Coupon</i>	<i>Maturity Date</i>	<i>Par Amount</i>	<i>Price</i>	<i>Settlement Date</i>
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SCHEDULE B

ESCROW FUND CASH FLOW

<i>Date</i>	<i>Cash Receipts From Securities</i>	<i>Cash Disbursements From Escrow</i>	<i>Cash Balance</i>
Beginning Balance:			

SCHEDULE C

NOTICE OF DEFEASANCE OF THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA GOLETA OLD TOWN REDEVELOPMENT PROJECT 2011 TAX ALLOCATION BONDS

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>CUSIP</i>
12/1/2020	\$ 205,000	6.500%	100%	381589AN0
12/1/2021	220,000	6.750	100	381589AP5
12/1/2026	1,365,000	7.500	100	381589AQ3
12/1/2031	1,970,000	7.750	100	381589AR1
6/1/2044	10,595,000	8.000	100	381589AT7

Notice is hereby given to the owners of the above-captioned and listed bonds (collectively, the “Refunded Bonds”) that:

The Successor Agency to the Redevelopment Agency for the City of Goleta (the “Agency”) has deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, certain monies and investment securities as permitted by that Indenture of Trust dated as of March 1, 2011 (the “Indenture”), by and between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Redevelopment Agency for the City of Goleta, pursuant to which the Refunded Bonds were issued, for the purpose of defeasing the Refunded Bonds. The investment securities will mature at the proper times and in the proper amounts to produce funds which, along with the moneys deposited with the Escrow Bank, will be sufficient to redeem the Refunded Bonds on _____, 2020 at a redemption price equal to the principal amount thereof and accrued interest thereon, without premium (the “Redemption Price”).

The Refunded Bonds are deemed to be paid in accordance with Section 9.03 of the Indenture and all liability of the Agency under the Indenture has ceased and been discharged except as provided in the Indenture. All obligations of the Agency under the Continuing Disclosure Agreement Dated as of March 8, 2011 with respect to the Refunded Bonds have ceased and terminated.

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

Dated: _____, 2020

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

SCHEDULE D

CONDITIONAL NOTICE OF REDEMPTION

REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA GOLETA OLD TOWN REDEVELOPMENT PROJECT 2011 TAX ALLOCATION BONDS

BASE CUSIP NO. 381589

NOTICE IS HEREBY GIVEN to the owners of the above-captioned \$16,085,000 initial aggregate principal amount Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds that are listed below (the “Bonds”) pursuant to the Indenture of Trust (the “Indenture”), dated as of March 1, 2011, by and between the Redevelopment Agency for the City of Goleta and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), that the Bonds in the aggregate principal amount of \$_____ have been called for redemption on _____, 2020 (the “Redemption Date”).

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>CUSIP Suffix</i>
12/1/2020	\$ 205,000	6.500%	100%	AN0
12/1/2021	220,000	6.750	100	AP5
12/1/2026	1,365,000	7.500	100	AQ3
12/1/2031	1,970,000	7.750	100	AR1
6/1/2044	10,595,000	8.000	100	AT7

The Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date, without premium (the “Redemption Price”). Interest with respect to the Bonds to be redeemed will cease to accrue on and after the Redemption Date, and such Bonds will be surrendered to the Trustee.

All Bonds are required to be surrendered to the corporate office of the Trustee, on the Redemption Date at the following location. If payment is to be made to a person other than the Owner, the Bonds shall be accompanied by a written instrument of transfer duly executed by the Owner thereof or by his attorney duly authorized in writing. If the Bonds are mailed, the use of registered, insured mail is recommended:

First Class/Registered/Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, New York 13057

Express Delivery Only

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, New York 13057

By Hand Only

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, New York 10286

Successor Agency to the Redevelopment Agency for the City of Goleta

By: The Bank of New York Mellon Trust Company, N.A.

as Escrow Bank and Trustee

Bondholder Communications: 800-254-2826

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the Trustee on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

Redemption of the Bonds is conditional upon the receipt by the Trustee on or prior to the Redemption Date of moneys sufficient to pay the principal of and interest with respect to such Bonds to be redeemed and, if such moneys have not been so received, this notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. Any Bonds delivered for redemption shall be returned to the respective Owners thereof and said Bonds shall remain outstanding as though this conditional notice of redemption had not been given.

A form W-9 must be submitted with the Bonds. Failure to provide a completed form W-9, or certify the proper tax identification number will result in backup withholding under Section 3406 of the Internal Revenue Code of 1986, as amended.

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

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

DATED this ____ day of _____, 2020.

ATTACHMENT 6:

Form of Bond Purchase Agreement

\$ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS, SERIES 2020A**

BOND PURCHASE AGREEMENT

_____, 2020

Successor Agency to the
Redevelopment Agency for the City of Goleta
130 Cremona Drive, Suite B
Goleta, California 93117

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (the “**Bond Purchase Agreement**”) with the Successor Agency to the Redevelopment Agency for the City of Goleta (the “**Successor Agency**”), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 6:00 p.m., California time, on the date hereof.

The Successor Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Successor Agency and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and the Underwriter is not acting as a financial advisor or fiduciary to the Successor Agency and has not assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Successor Agency on other matters); (iii) the only obligations the Underwriter has to the Successor Agency with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; (iv) the Successor Agency has consulted its own legal, accounting, tax, financial, municipal and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the Successor Agency; and (vi) the Underwriter has provided the Successor Agency with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Successor Agency acknowledges and represents that it has engaged Urban Futures, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Urban Futures, Inc.. with respect to the Bonds.

The Successor Agency hereby acknowledges receipt from the Underwriter of disclosures required by the MSRB Rule G-17, relating to the Underwriter’s role in the transaction, the Underwriter’s compensation, conflict disclosures, if any, and complex municipal securities financing, if any.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. *Purchase and Sale; Use of Proceeds.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Underwriter and the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, all (but not less than all) of the \$_____ Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A (the “**Bonds**”), at the purchase price of \$_____ (the “**Purchase Price**”) (being the principal amount of the Bonds of \$_____, less an Underwriter’s discount of \$_____, and plus a net original issue premium of \$_____.

As an accommodation to the Successor Agency, on the Closing Date (as defined in Section 6 below), the Underwriter will pay, from the Purchase Price, the total sum of \$_____ to _____ (the “**2020 Insurer**”) representing the sum of the (i) premium for the insurance policy to be issued by the 2020 Insurer concurrently with the delivery of the Bonds guaranteeing the scheduled payment of principal of and interest on the Bonds [maturing on December 1 of the years 20__ through 20__, inclusive,] when due (the “**2020 Insurance Policy**”) in the amount of \$_____, and (ii) the premium for the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2020 Insurer guaranteeing certain payments into the Reserve Account with respect to the Bonds (the “**2020 Reserve Policy**”).

On the Closing Date, the Underwriter will deliver the amount of \$_____ (representing the Purchase Price net of the amounts to be wired to the 2020 Insurer by the Underwriter for the 2020 Insurance Policy and the 2020 Reserve Policy as described in the preceding paragraph) to The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), on behalf of the Successor Agency.

The Bonds shall be dated the Closing Date, and shall bear interest at the rates, shall mature on the dates and in the principal amounts and shall be subject to redemption, all as set forth in the attached Exhibit A.

The net proceeds of the Bonds will be used by the Successor Agency to (i) refund all of the outstanding Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project 2011 Tax Allocation Bonds (the “**2011 Bonds**”), (ii) pay the premiums for the 2020 Insurance Policy and the 2020 Reserve Policy, and (iii) pay the costs of issuing the Bonds.

The Bonds are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Pledged Tax Revenues, as such term is defined in an Indenture of Trust, dated as of _____, 2020 (the “**Indenture**”), by and between the Successor Agency and the Trustee.

The 2011 Bonds will be refunded pursuant to the 2011 Bonds Escrow Agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (in such capacity, the “**Escrow Bank**”).

The Bonds were authorized to be issued by a resolution of the Successor Agency, adopted on [January 21], 2020 (the “**Successor Agency Resolution**”), and a resolution of the Santa Barbara Countywide Oversight Board, adopted on [January 22], 2020 (the “**Oversight Board Resolution**”).

2. *Bona Fide Public Offering.* It shall be a condition to the Successor Agency's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Successor Agency and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement.

3. *Official Statement.* The Successor Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Bond Purchase Agreement copies of the Official Statement relating to the Bonds, dated the date hereof (which, together with all exhibits and appendices included therein or attached thereto and with such amendments or supplements thereto which shall be approved by the Underwriter, the "**Official Statement**"). The Successor Agency authorizes the Official Statement, including the cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary Official Statement dated _____, 2020 (the "**Preliminary Official Statement**"). The Successor Agency authorized distribution of the Preliminary Official Statement and preparation and distribution of a final Official Statement pursuant to the Successor Agency Resolution. The Successor Agency has deemed such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for information allowed to be omitted by Rule 15c2-12. The Successor Agency also agrees to deliver to the Underwriter, at the Successor Agency's sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 and with Rule G-32 and all other applicable rules of the MSRB. The Successor Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof. Such Official Statement shall contain all information previously permitted to be omitted by Rule 15c2-12. The Underwriter agrees to give written notice to the Successor Agency of the date after which the Underwriter shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of Rule 15c2-12 which shall be no later than 25 days after the End of the Underwriting Period (as such term is hereinafter defined).

The Underwriter agrees to promptly file a copy of the final Official Statement, including any supplements prepared by the Successor Agency, in compliance with MSRB Rule G-32, and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission (the "**SEC**") rules and MSRB rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers thereof.

4. *Representations, Warranties and Agreements of the Successor Agency.* The Successor Agency represents and warrants to the Underwriter that, as of the date hereof:

(a) The Successor Agency is a public entity existing under the laws of the State of California (the "**State**"), and is authorized, among other things, to (i) issue the Bonds, and (ii) secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has the full right, power and authority to (i) enter into the Indenture, the Escrow Agreement, the Disclosure Certificate (as hereinafter defined) and this Bond Purchase Agreement, (ii) issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and the Successor Agency has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Successor Agency has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the Successor Agency of the Escrow Agreement, the Disclosure Certificate, this Bond Purchase Agreement and the Indenture, (ii) the distribution and use of the “deemed final” Preliminary Official Statement and the execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Successor Agency to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Successor Agency in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to the 2020 Insurer, the 2020 Insurance Policy, the 2020 Reserve Policy, DTC and its book-entry system included therein and the information therein under the caption “UNDERWRITING”) is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City of Goleta (the “**City**”) or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The information contained in the Official Statement (excluding therefrom for any information relating to the 2020 Insurer, the 2020 Insurance Policy, the 2020 Reserve Policy, DTC and its book-entry system included therein and the information therein under the caption “UNDERWRITING”) is true and correct in all material respects, and the Official Statement does not contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Neither the execution and delivery by the Successor Agency of the Indenture, the Escrow Agreement, the Disclosure Certificate, this Bond Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject.

(g) The Successor Agency has never been in default at any time, as to payment of principal of or interest on any debt obligation which it has issued, except as otherwise specifically disclosed in the Preliminary Official Statement and the Official Statement; and the Successor Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Tax Revenues pledged to the payment of the Bonds except as is specifically disclosed in the Preliminary Official Statement and the Official Statement.

(h) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Successor Agency or, to the best knowledge of the Successor Agency, threatened, which in any way questions the powers of the Successor Agency referred to in paragraph (b) above, or the validity of any proceeding taken by the Successor Agency in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Escrow Agreement, this Bond Purchase Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the

Indenture, the Bonds, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement or, to the knowledge of the Successor Agency, which in any way questions the status of the Bonds under state tax laws or federal tax law or regulations or which in any way could materially adversely affect the availability of Pledged Tax Revenues.

(i) Any certificate signed by any official of the Successor Agency and delivered to the Underwriter in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Successor Agency to the Underwriter as to the truth of the statements therein contained.

(j) The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Successor Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(k) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Successor Agency of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(l) Between the date of this Bond Purchase Agreement and the Closing Date, the Successor Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

(m) The Successor Agency will apply the proceeds of the Bonds in accordance with the Indenture.

(n) Except as otherwise described in the Preliminary Official Statement and the Official Statement, as of the Closing Date, the Successor Agency will not have outstanding any indebtedness which indebtedness is secured by a lien on the Pledged Tax Revenues of the Successor Agency on a parity with or senior to the lien provided for in the Indenture on the Pledged Tax Revenues.

(o) Except as described in the Preliminary Official Statement and the Official Statement, neither the Successor Agency nor the City have failed, within the last five years, to comply in all material respects with any undertaking of the Successor Agency pursuant to Rule 15c2-12. The report of Lumesis, Inc. dated _____, 2020 (the “**Continuing Disclosure Due Diligence Report**”) identifies all of the issues for which the Successor Agency and the City were obligated to provide continuing disclosure under Rule 15c2-12 during the past five years and all of the material event filings that were required with respect to such issues during the five-year period.

(p) If between the date hereof and the date which is 25 days after the End of the Underwriting Period, as defined herein, for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an

untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Successor Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Successor Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Successor Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. As used herein, the term “**End of the Underwriting Period**” means the later of such time as: (i) the Successor Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the “End of the Underwriting Period” shall be the Closing Date.

(q) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (p) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

(r) The Oversight Board has duly adopted the Oversight Board Resolution approving the Successor Agency Resolution and the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(s) The Department of Finance of the State (the “**Department of Finance**”) has issued a letter dated _____, 2020 (the “**DOF Letter**”), approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. The Successor Agency has received its Finding of Completion from the Department of Finance. Except as disclosed in the Official Statement, the Successor Agency is not aware of the Department of Finance directing or having any basis to direct the Auditor-Controller of the County of Santa Barbara to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency pursuant to Section 34183 of the Dissolution Act.

(t) As of the time of acceptance hereof and as of the date of the Closing, the Successor Agency has complied with the filing requirements of the Dissolution Act, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Dissolution Act.

5. *Covenants of the Successor Agency.* The Successor Agency covenants with the Underwriter as of the Closing Date as follows:

(a) The Successor Agency covenants and agrees that it will execute a continuing disclosure certificate, constituting an undertaking to provide ongoing disclosure about the Successor Agency, for the benefit of the owners of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, substantially in the form attached to the Preliminary Official Statement (the “**Disclosure Certificate**”).

(b) Any information supplied by the Successor Agency for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact relating to the Successor Agency or omit to state any such fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. *Closing.* (a) At 8:30 A.M., on _____, 2020, or on such earlier or later time or date as may be agreed upon by the Underwriter and the Successor Agency (the “**Closing Date**”), the Successor Agency will deliver the Bonds to the Underwriter, through the book-entry system of The Depository Trust Company (“**DTC**”). The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 7 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriter. Such delivery is herein called the “**Closing**.” On the date of the Closing, the Underwriter will pay the Purchase Price of the Bonds as set forth in Section 1 of this Bond Purchase Agreement in immediately available funds to the order of the Trustee.

(b) The Bonds will be issued in fully registered form and will be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

7. *Closing Conditions.* The obligations of the Underwriter hereunder shall be subject to the performance by the Successor Agency of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the Successor Agency contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the Successor Agency that is not disclosed in the Preliminary Official Statement or the Official Statement;

(c) as of the Closing Date, all official action of the Successor Agency relating to this Bond Purchase Agreement, the Disclosure Certificate, the Escrow Agreement and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) a copy of the Indenture, as duly executed and delivered by the Successor Agency and the Trustee;

(ii) a copy of the Disclosure Certificate, as duly executed and delivered by the Successor Agency;

(iii) a copy of the Escrow Agreement, duly executed and delivered by the Successor Agency and the Escrow Bank;

(iv) an opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in the form attached as Appendix C to the Official Statement;

(v) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director of the Successor Agency (or other duly appointed officer of the Successor Agency authorized by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by the Escrow Agreement, this Bond Purchase Agreement or the Indenture, and consummation of such transactions; (B) the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Escrow Agreement, the Indenture and this Bond Purchase Agreement; (C) no event affecting the Successor Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (D) no further consent is required to be obtained for the inclusion of the audited financial statements of the Successor Agency for the fiscal year ended June 30, 2019, as Appendix E to the Official Statement; (E) the refunding of the 2011 Bonds with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in §34177.5(a) of the Health and Safety Code of the State of California in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds shall not exceed the total remaining interest cost to maturity on the 2011 Bonds plus the remaining principal amount of the 2011 Bonds, and (ii) the principal amount of the Bonds shall not exceed the amount required to defease the 2011 Bonds, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate; and (F) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

(vi) an opinion of the City Attorney, as counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Underwriter to the effect that:

(A) the Successor Agency is a public body, organized and existing under the laws of the State;

(B) the Successor Agency has full legal power and lawful authority to enter into the Indenture, the Escrow Agreement and this Bond Purchase Agreement, and to execute and deliver the Disclosure Certificate;

(C) the Successor Agency Resolution approving and authorizing the execution and delivery of the Bonds, the Indenture, the Escrow Agreement, the Disclosure Certificate, this Bond Purchase Agreement and the Official Statement was duly adopted at a meeting of the governing body of the Successor Agency, which was called and held pursuant to the law and with all public notice required by

law and at which a quorum was present and acting throughout, and the Successor Agency Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the Escrow Agreement, the Disclosure Certificate, and this Bond Purchase Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the Successor Agency enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally;

(E) the information in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION – The City and Agency," "– The Redevelopment Plan," "– Senior Obligations," "SECURITY FOR THE 2020 BONDS," "THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA," and "THE PROJECT AREA," insofar as such statements purport to summarize information with respect to the Successor Agency, the Project Area (as defined therein) and the Successor Agency's tax sharing and other obligations with respect to the Project Area, fairly and accurately summarizes the information presented therein; and

(F) to the best knowledge of the City Attorney after due inquiry, except as otherwise disclosed in the Official Statement, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to the knowledge of the City Attorney, threatened in writing against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Indenture, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Indenture, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Pledged Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into, and perform under, the Indenture, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement;

The City Attorney opinion may provide that (i) the opinions may be affected by actions taken or events occurring after the date of the opinion, (ii) as to questions of fact material to its opinions, the City Attorney has relied upon representations by the principal officers of the City, (iii) whenever a statement in the City Attorney opinion is qualified by "to the knowledge of the City Attorney" or similar statement, it is intended to indicate that, during the course of the City Attorney's representation of the City in connection with the transactions described in the City Attorney opinion, no information that would give the City Attorney current actual knowledge of the inaccuracy of such statement has come to its attention, and (iv) no opinion is expressed with regard to any laws other than laws of the State of California, and no opinion is expressed as to matters covered by any tax or securities law or regulation.

(vii) an opinion of counsel to the The Bank of New York Mellon Trust Company, N.A. ("**BNY**"), dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) BNY is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture and the Escrow Agreement;

(B) the Indenture and the Escrow Agreement have been duly authorized, executed and delivered by BNY and each of the Indenture and the Escrow Agreement constitutes a legal, valid and binding obligation of BNY enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over BNY that has not been obtained is or will be required for the execution and delivery of the Indenture and the Escrow Agreement or the consummation of the transactions contemplated by the Indenture and the Escrow Agreement; and

(D) BNY has duly authenticated the Bonds.

(viii) a certificate, dated the Closing Date, of BNY, signed by a duly authorized officer of BNY, to the effect that (A) BNY is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture and the Escrow Agreement; (B) BNY has duly authorized, executed and delivered the Indenture and the Escrow Agreement and by all proper corporate action has authorized the acceptance of the trust of the Indenture and Escrow Agreement; and (C) to the officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of BNY which would restrain or enjoin the execution or delivery of the Indenture or the Escrow Agreement, or which would affect the validity or enforceability of the Indenture or the Escrow Agreement, or BNY's participation in, or in any way contesting the powers or the authority of BNY with respect to, the transactions contemplated by the Indenture or the Escrow Agreement, or any other agreement, document or certificate related to such transactions;

(ix) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) this Bond Purchase Agreement, the Disclosure Certificate and the Escrow Agreement have been duly authorized, executed and delivered by the Successor Agency, and assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the Successor Agency, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions "THE 2020 BONDS," "SECURITY FOR THE 2020 BONDS," "TAX MATTERS" and "APPENDIX B – SUMMARY OF THE INDENTURE" thereto are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's opinion concerning federal tax matters relating to the Bonds;

(x) a letter of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, as disclosure counsel to the Successor Agency, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as Exhibit C.;

(xi) the opinion of Underwriter's counsel satisfactory to the Underwriter;

(xii) the final Official Statement executed by an authorized officer of the Successor Agency;

(xiii) certified copies of the Successor Agency Resolution and the Oversight Board Resolution;

(xiv) specimen Bonds;

(xv) a copy of the 2020 Insurance Policy and the 2020 Reserve Policy;

(xvi) an opinion of counsel to the 2020 Insurer, addressed to the Successor Agency and the Underwriter to the effect that:

(A) the descriptions of the 2020 Insurer, the 2020 Insurance Policy and the 2020 Reserve Policy included in the Preliminary Official Statement and the Official Statement are accurate;

(B) the 2020 Insurance Policy and the 2020 Reserve Policy constitute legal, valid and binding obligations of the 2020 Insurer, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the Successor Agency or the Underwriter may reasonably request;

(xviii) a certificate of the 2020 Insurer, signed by an authorized officer of the 2020 Insurer, to the effect that:

(A) the information contained in the Preliminary Official Statement and the Official Statement relating to the 2020 Insurer, the 2020 Insurance Policy and the 2020 Reserve Policy is true and accurate; and

(B) as to such other matters as the Successor Agency or the Underwriter may reasonably request;

(xix) satisfactory evidence that the Bonds have been assigned the ratings disclosed in the Official Statement;

(xx) a certificate of an officer of Urban Futures, Inc, as fiscal consultant (in such capacity, the “**Fiscal Consultant**”), dated the date of the Closing, addressed to the Successor Agency and the Underwriter, to the effect that, to the best of its knowledge, the assessed valuations and other fiscal information contained in the Official Statement, including such firm’s Fiscal Consultant’s Report attached thereto as Appendix __, are presented fairly and accurately, and consenting to the use of its report as Appendix __ to the Preliminary Official Statement and the Official Statement;

(xxi) evidence of required filings with the California Debt and Investment Advisory Commission;

(xxii) a copy of the DOF Letter;

(xxiii) a certificate, dated the Closing Date, signed by a duly authorized official of Urban Futures, Inc., in its capacity as municipal advisor to the Successor Agency (in such capacity, the “**Municipal Advisor**”) to the effect that, (A) in connection with its participation in the preparation of the Preliminary Official Statement and the Official Statement and without undertaking any independent investigation and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Preliminary Official Statement as of the date thereof and the date hereof and the or the Official Statement as of its date and the Closing Date contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (B) the refunding of the 2011 Bonds with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in §34177.5(a) of the Health and Safety Code of the State of California in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds shall not exceed the total remaining interest cost to maturity on the 2011 Bonds plus the remaining principal amount of the 2011 Bonds, and (ii) the principal amount of the Bonds shall not exceed the amount required to defease the 2011 Bonds, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate, and (C) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

(xxiv) a copy of the Continuing Disclosure Due Diligence Report;

(xxv) a tax certificate with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Successor Agency, together with a completed and executed Form 8038-G, for the Bonds;

(xxvi) a copy of the executed DTC Representation Letter; and

(xxvii) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement and the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to be

performed and all conditions then to be satisfied by the Successor Agency pursuant to this Bond Purchase Agreement.

8. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Successor Agency in establishing the issue price of the Bonds and shall execute and deliver to the Successor Agency at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Successor Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Successor Agency will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Successor Agency the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Successor Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the Underwriter’s reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Successor Agency or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Successor Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Successor Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Successor Agency promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Successor Agency acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Successor Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Successor Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

9. *Termination.* The Underwriter will have the right to terminate the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Successor Agency of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

- (a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the Successor Agency, its property or income, its bonds (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or State authorities;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Bonds are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the Successor Agency, materially adversely affects the market price of the Bonds;

(j) any federal or State court, authority or regulatory body takes action materially and adversely affecting the payment or receipt of the principal and interest on the Bonds;

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Successor Agency by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Bonds;

(l) an event occurs which in the reasonable opinion of the Underwriter makes untrue or misleading in any material respect any statement or information contained in the Official Statement (other than any information relating to the Underwriter); or

(m) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds or, the financial condition of the Successor Agency.

10. *Contingency of Obligations.* The obligations of the Successor Agency hereunder are subject to the performance by the Underwriter of its obligations hereunder.

11. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the Successor Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Successor Agency and shall survive the Closing Date.

12. *Expenses.* The Successor Agency will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, the fees and disbursements of Bond Counsel, Disclosure Counsel, and counsel to the Successor Agency, the fees and expenses of the Successor Agency's accountants and fiscal consultants, fees of the Municipal Advisor, any fees charged by investment rating agencies for the rating of the Bonds and fees of the Trustee, and fees and expenses related to the Successor Agency's staff time. In the event this Bond Purchase Agreement shall terminate because of the default of the Underwriter, the Successor Agency will, nevertheless, pay, or cause to be paid, all of the expenses specified above.

The Successor Agency shall reimburse the Underwriter, from proceeds of the Bonds, for any meals or travel expenses of the Successor Agency paid for by the Underwriter, exclusive of entertainment expenses.

The Underwriter shall pay the fees and expenses of any counsel retained by it, all advertising expenses incurred in connection with the public offering of the Bonds, CDIAAC fees, CUSIP fees and all other expenses incurred by it in connection with the public offering and distribution of the Bonds (including out-of-pocket expenses and related regulatory expenses).

13. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the Executive Director, Successor Agency to the Redevelopment Agency for the City of Goleta, 130 Cremona Drive, Suite B, Goleta, California 93117, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104 Attention: Sara Oberlies Brown, Managing Director.

14. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. *Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed in California.

16. *Headings.* The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. *Effectiveness.* This Bond Purchase Agreement shall become effective upon acceptance hereof by the Successor Agency.

19. *No Prior Agreements.* This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds, and any such negotiations, agreements and understandings shall be null and void upon the effectiveness of this Bond Purchase Agreement.

20. *Counterparts.* This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written, and the time
identified below:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY
OF GOLETA

By: _____
Authorized Representative

Time of Execution: _____

EXHIBIT A

MATURITY SCHEDULE

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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T: Term Bond.

C: Priced to the first optional redemption date of _____, 20__, at par.

* At the time of execution of this Agreement and assuming orders are confirmed immediately after the execution of this Bond Purchase Agreement.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or prior to December 1, 20__ are not subject to optional redemption. The Bonds maturing on or after December 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after December 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds that are Term Bonds (the "Term Bonds") maturing _____ 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on _____ 1 in each year, commencing _____ 1, 20__, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following table; provided however, that (y) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to

the Indenture, and (z) if some but not all of such Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Term Bonds of 20__

December 1

Principal Amount

\$

(maturity)

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA TAX ALLOCATION REFUNDING BONDS, SERIES 2020A

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. **Bond Purchase Agreement.** On _____, 2020 (the "Sale Date"), Stifel and the Issuer executed a Bond Purchase Agreement (the "Purchase Agreement") in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. **Price.**
 - (a) As of the date of this Certificate, for each [Maturity][of the General Rule Maturities] of the Bonds, the first price at which at least 10% of [each] such Maturity of the Bonds was sold to the Public (the "10% Test") was the respective price for such Maturity listed in **Schedule A** attached hereto.
 - (b) [Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.
 - (c) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
 - (d) [**** With respect to each of the General Rule Maturities of the Bonds:**
 - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.
 - (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices

listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”

- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

3. **Defined Terms.**

- (a) “*General Rule Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
- (b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
- (c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2020), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
- (d) “*Issuer*” means the Successor Agency to the Redevelopment Agency for the City of Goleta.
- (e) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

- 4. **Arbitrage Yield.** We have calculated the arbitrage yield with respect to the Bonds to be _____% in accordance with the following instructions provided by Bond Counsel; such calculation is attached in Schedule _____. Bond Counsel has advised that yield on the Bonds is the discount rate that, when used in computing the present value as of the issue date of

all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date. Bond Counsel has advised that the issue price is determined based on the prices of each maturity of the Bonds listed in Schedule A. To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

5. ***Credit Enhancement.***

- (a) The present value of the amount paid to obtain the Credit Enhancement (as defined in the Tax Certificate) is less than the present value of the interest reasonably expected to be saved as a result of having the Credit Enhancement, using the yield with respect to the Bonds as the discount factor for this purpose.
 - (b) To the best knowledge of the undersigned, the amount paid by the Issuer to the Insurer (as defined in the Tax Certificate) for the Credit Enhancement is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the Bonds.
6. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated _____, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Managing Director

By: _____
Managing Director

Dated: _____, 2020

SCHEDULE A
TO
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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[**Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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**]

[**SCHEDULE B
TO
ISSUE PRICE CERTIFICATE

Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**]

[**SCHEDULE C
TO
ISSUE PRICE CERTIFICATE

SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER

\$ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS, SERIES 2020A**

The undersigned, Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. *Issue Price.*

- (a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the "10% Test"). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the "Undersold Maturities").
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

2. *Defined Terms.*

- (a) "*Issuer*" means the Successor Agency to the Redevelopment Agency for the City of Goleta.
- (b) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (c) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) "*Underwriter*" means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

- 3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections

103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated _____, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Managing Director

By: _____
Managing Director

Dated: _____, 2020

EXHIBIT C

FORM OF DISCLOSURE COUNSEL LETTER

[Closing Date]

Stifel Nicolaus & Company, Incorporated
San Francisco, California

Re: \$_____ *Successor Agency to the Redevelopment Agency for the City of
Goleta Tax Allocation Refunding Bonds, Series 2020A*

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the Successor Agency to the Redevelopment Agency for the City of Goleta (the "Successor Agency") in connection with the issuance and sale of \$_____ aggregate principal amount of the Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A (the "Bonds"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement dated _____, 2020 (the "Bond Purchase Agreement"), between the Successor Agency and Stifel Nicolaus & Company, Incorporated, as underwriter (the "Underwriter").

As Disclosure Counsel, we have examined and relied upon: (a) the Preliminary Official Statement dated _____, 2020, relating to the Bonds (the "Preliminary Official Statement"); (b) the Official Statement dated _____, 2020, relating to the Bonds (the "Official Statement"); (c) the Indenture dated as of _____ 1, 2020, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); (d) the Escrow Agreement dated as of _____ 1, 2020, by and between the Successor Agency and the Trustee; (e) opinions of counsel to the Successor Agency and counsel to the Trustee; (f) certificates of the Successor Agency, the Trustee, and others; and the other documents contained in the transcript of proceedings for the Bonds. In addition, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such other resolutions, documents, instruments and corporate or public records, and have made such investigation of law, as we have deemed necessary for the purpose of this letter. We do not assume any responsibility for any electronic version of the Preliminary Official Statement or the Official Statement and assume that any such version is identical in all respects to the version printed at closing for purposes of the transcript.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

We express no opinion herein regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

We are not passing upon and have not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement and are, therefore, unable to make any representation to you in that

regard. However, in our capacity as the Successor Agency's Disclosure Counsel, we have provided certain legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement (which advice and assistance did not include financial or other non-legal advice). Providing such advice and assistance involved, among other things, (i) inquiries and discussions of various legal matters, (ii) review of and reliance on certain documents, certificates, instructions, records and opinions of counsel, and (iii) participation in meetings and telephone conferences with representatives of the Successor Agency, Urban Futures, Inc., as municipal advisor to the Successor Agency, and others including counsel to the Underwriter, during which the content of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing, and our understanding of applicable law, we advise you, as a matter of fact but not opinion, that no information has come to the attention of the attorneys of our firm representing the Successor Agency with respect to the issuance of the Bonds which caused us to believe that (a) the Preliminary Official Statement as of its date or as of _____, 2020 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information relating to The Depository Trust Company and its book-entry only system; the 2020 Insurer, the 2020 Insurance Policy, and the 2020 Reserve Policy; information under the captions "TAX MATTERS" and "CONCLUDING INFORMATION—Underwriting"; and the appendices to the Preliminary Official Statement, as to which we express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, Underwriter's discount and CUSIP numbers; or (b) the Official Statement as of its date and as of the date hereof (excluding therefrom financial, demographic, statistical or economic or demographic data; forecasts, numbers, charts, tables, graphs, projections, estimates, assumptions and expressions of opinions; information relating to The Depository Trust Company and its book-entry only system or CUSIP numbers; the 2020 Insurer, the 2020 Insurance Policy, and the 2020 Reserve Policy; information under the captions "TAX MATTERS" and "CONCLUDING INFORMATION—Underwriting"; and the appendices to the Official Statement, as to which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. We advise you that, other than reviewing the various certificates and opinions delivered pursuant to the Bond Purchase Agreement regarding the Official Statement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof. Moreover, in providing such advice and assistance, we provided no independent diligence on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website, and we express no view regarding the Successor Agency's compliance with any obligation to file annual reports or provide notice of events, each as described in Rule 15c2-12.

By acceptance of this letter the Underwriter acknowledges that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Official Statement; rather it is a statement of negative assurance regarding factual information that did not come to the attention of attorneys in our firm working on this matter during the limited activities that we performed as Disclosure

Counsel to the Successor Agency concerning the Official Statement. Our services did not include financial or other non-legal advice.

By acceptance of the letter, the Underwriter further recognizes and acknowledges that: (i) the advice herein is based on certain limited activities performed by specific attorneys in our firm in our role as Disclosure Counsel to the Successor Agency; (ii) the scope of the activities performed by such attorneys in our role as Disclosure Counsel and for purposes of delivering such advice was inherently limited and does not purport to encompass all activities necessary for compliance by the Underwriter with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as Disclosure Counsel rely in part on representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the Successor Agency, the Underwriter and others.

This letter is furnished by us as Disclosure Counsel to the Successor Agency. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. We note that the Underwriter was represented by separate counsel in connection with the transaction described in the Official Statement. This letter is delivered to you as the Underwriter of the Bonds, is solely for your benefit as the Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose without our prior written consent. This letter is not intended to, and may not, be relied upon by owners of the Bonds or any party with any beneficial interest therein.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed herein or in the Official Statement.

Respectfully submitted,

ATTACHMENT 7:

Form of Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

NEW ISSUE—BOOK-ENTRY ONLY

Ratings:

S&P “___” (Insured Bonds)

S&P: “___” (Underlying/Uninsured Bonds)

See the caption “CONCLUDING INFORMATION—Ratings”

In the opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2020 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2020 Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

\$12,450,000*

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS, SERIES 2020A**

Dated: Delivery Date

Due: December 1, as shown on the inside front cover page

The Successor Agency to the Redevelopment Agency for the City of Goleta Tax Allocation Refunding Bonds, Series 2020A (the “2020 Bonds”) will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in integral multiples of \$5,000 under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2020 Bonds. The principal of and interest (which interest is due June 1 and December 1 of each year, commencing June 1, 2020) on the 2020 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC Participants, so long as DTC or its nominee remains the registered owner of the 2020 Bonds. See the caption “THE 2020 BONDS—Book-Entry System.”

The 2020 Bonds are being issued pursuant to the Indenture of Trust, dated as of _____ 1, 2020, by and between the Trustee and the Successor Agency to the Redevelopment Agency for the City of Goleta: (i) to currently refund certain obligations of the Redevelopment Agency for the City of Goleta currently outstanding in the aggregate principal amount of \$14,355,000, as described under the caption “REFUNDING PLAN”; (ii) [to purchase a municipal bond insurance policy with respect to the 2020 Bonds]; (iii) [to purchase a municipal debt service reserve insurance policy for the 2020 Bonds], and (iv) to pay certain costs of issuance of the 2020 Bonds.

The 2020 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption “THE 2020 BONDS—Redemption.”

The 2020 Bonds are secured by the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund and payable from amounts on deposit therein after payments of certain County of Santa Barbara administrative costs, payments to certain taxing agencies, and certain other senior obligations, as more fully described under the captions “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Property Tax Administrative Costs,” “SECURITY FOR THE 2020 BONDS—Statutory Pass-Through Amounts,” and “—Prior Agreement.” Taxes levied on the property within the Goleta Old Town Redevelopment Project Area on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll, to the extent that such taxes constitute Pledged Tax Revenues, will be deposited in the Redevelopment Obligation Retirement Fund and administered by the Agency and the Trustee in accordance with the Indenture.

[The scheduled payment of principal of and interest on the 2020 Bonds maturing on December 1 in the years 20__ through 20__, inclusive, (the “Insured Bonds”), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by _____. See the captions “INTRODUCTORY STATEMENT—Bond Insurance” and “BOND INSURANCE” and Appendix I—“SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

[Insurer logo]

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the 2020 Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described herein.

The 2020 Bonds are not a debt of the City of Goleta, the State of California, or any of its political subdivisions (except the Agency), and neither said City or State, nor any of its political subdivisions (except the Agency), is liable hereon, nor in any event shall the 2020 Bonds be payable out of any funds or properties other than those of the Agency. The 2020 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The principal of and interest on the 2020 Bonds are payable solely from the Pledged Tax Revenues (as defined herein and in the Indenture) allocated to the Agency from the Goleta Old Town Redevelopment Project Area and other funds as set forth in the Indenture.

The 2020 Bonds are offered, when, as and if issued, subject to the approval of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, Bond Counsel. Certain legal matters will be passed on for the Agency by the City Attorney of the City of Goleta, as counsel to the Agency, and Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, as disclosure counsel to the Agency, for the Underwriter by its counsel, Jones Hall, a Professional Law Corporation, San Francisco, California, and for the Trustee by its counsel. It is anticipated that the 2020 Bonds will be available for delivery through the facilities of DTC on or about _____, 2020.

Stifel, Nicolaus & Company, Incorporated

Dated: _____, 2020

* Preliminary, subject to change.

MATURITY SCHEDULE

Base CUSIP[†] _____

\$12,450,000*

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA TAX ALLOCATION REFUNDING BONDS, SERIES 2020A

<i>Maturity Date (December 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†] Suffix</i>
	\$	%			

\$_____ - _____% Term Bond due December 1, 20__ - Yield: _____% - Price_____ - CUSIP[†]: _____

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Agency nor the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Goleta, California**

**CITY COUNCIL,
ACTING AS THE GOVERNING BODY OF THE AGENCY**

Paula Perotte, *Mayor*
Kyle Richards, *Mayor Pro Tempore*
Roger S. Aceves
Stuart Kasdin
James Kyriaco

AGENCY/CITY STAFF

Michelle Greene, *Executive Director/City Manager*
Deborah Lopez, *Secretary/City Clerk*
Luke Rioux, *Finance Director*
Jaime Valdez, *Principal Project Manager*
Michael Jenkins, *Agency Counsel/City Attorney*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
A Professional Corporation
Newport Beach, California

Municipal Advisor and Fiscal Consultant

Urban Futures, Inc.
Tustin, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the Agency or the Underwriter to give any information or to make any representations with respect to the 2020 Bonds other than as contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been given or authorized by the Agency or the Underwriter.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2020 Bonds described in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement does not constitute a contract between any Bond owner and the Agency or the Underwriter.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure made by the Agency, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2020 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Agency or the other parties described in this Official Statement, since the date of this Official Statement.

Document Summaries. All summaries of the Indenture or other documents contained in this Official Statement are made subject to the provisions of such documents and do not purport to be complete statements of any or all such provisions. All references in this Official Statement to the Indenture and such other documents are qualified in their entirety by reference to such documents, which are on file with the Agency.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

No Registration with the SEC. The issuance and sale of the 2020 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

Public Offering Prices. The Underwriter may offer and sell the 2020 Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and the Underwriter may change such public offering prices from time to time.

Bond Insurer. [TO COME]

Website. The City of Goleta maintains an Internet website which includes information about the Agency. However, the information maintained on such website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2020 Bonds.



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\$12,450,000*
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS,
SERIES 2020A

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Redevelopment Agency for the City of Goleta (the “Agency”) of its \$12,450,000* Tax Allocation Refunding Bonds, Series 2020A (the “2020 Bonds”).

Authority and Purpose

The 2020 Bonds are being issued pursuant to the Constitution and laws of the State of California (the “State”), including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”), the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code (the “Redevelopment Law”), the Dissolution Act (as defined below) and an Indenture of Trust, dated as of _____ 1, 2020 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). See the caption “THE 2020 BONDS—Authority for Issuance.” The 2020 Bonds and any additional debt (“Parity Debt”) issued as bonds pursuant to the Indenture are collectively referred to as the “Bonds.”

The 2020 Bonds are being issued: (i) to currently refund certain obligations of the Redevelopment Agency for the City of Goleta (the “Former Agency”) currently outstanding in the aggregate principal amount of \$14,355,000, as described under the caption “REFUNDING PLAN,” (ii) [to purchase a municipal bond insurance policy (the “Policy”) with respect to the 2020 Bonds]; (iii) [to purchase a municipal debt service reserve insurance policy for the 2020 Bonds (the “Reserve Policy”)], and (iv) to pay certain costs of issuance of the 2020 Bonds. See the caption “REFUNDING PLAN—Sources and Uses of Funds.”

The 2020 Bonds are secured by the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund (referred to at times herein as the “RPTTF”) and payable from amounts on deposit therein after payments of certain County of Santa Barbara (the “County”) administrative costs, payments to certain taxing agencies, and payments under the Prior Agreement (defined below), as more fully described under the captions “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*,” “SECURITY FOR THE 2020 BONDS—Statutory Pass-Through Amounts,” and “—Prior Agreement.” Upon issuance of the 2020 Bonds, there will be no other bonds or other indebtedness outstanding with a pledge and lien on the Pledged Tax Revenues senior to or on a parity with the pledge and lien in favor of the 2020 Bonds other than the Prior Agreement (which is secured by a pledge of the Housing Set-Aside, as described below under the captions “SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Elimination of Housing Set-Aside*” and “—Prior Agreement”). The Agency may issue Parity Debt, subject to compliance with certain conditions set forth in the Indenture, only to refund the 2020 Bonds or Parity Debt for savings. See “SECURITY FOR THE 2020 BONDS—Issuance of Additional Indebtedness—*Parity Debt*.”

The City and the Agency

The City of Goleta (the “City”) was incorporated on February 1, 2002 as a general law city. The City encompasses approximately 8 square miles in the southern portion of the County and has a population of approximately 31,949 as of January 1, 2019. The City is 10 miles west of the City of Santa Barbara and is approximately 90 miles northwest of Los Angeles. The City is situated along U.S. Highway 101 within an

* Preliminary, subject to change.

area known as the Goleta Valley, and is generally surrounded by unincorporated County land. See APPENDIX H—“SUPPLEMENTAL INFORMATION—THE CITY OF GOLETA” for more general information about the City.

The Former Agency was activated by Ordinance of the City Council adopted on February 1, 2002 pursuant to the Redevelopment Law. The five members of the City Council served as the governing body of the Former Agency and exercised all the rights, powers, duties and privileges of the Former Agency.

On June 29, 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). A lawsuit entitled *California Redevelopment Association, et al. v. Matosantos, et al.*, was brought in the State Supreme Court challenging the constitutionality of AB X1 26 and AB X1 27. In a published decision (53 Cal. 4th 231 (Dec. 29, 2011)), the State Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the State Supreme Court, as of February 1, 2012, all redevelopment agencies in the State, including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions of AB X1 26 relating to the dissolution and winding down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health & Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012, and as further amended on September 22, 2015 by Senate Bill 107 (“SB 107”), enacted as Chapter 325, Statutes of 2015 (collectively, as amended from time to time, the “Dissolution Act”).

Pursuant to Section 34173 of the Dissolution Act, the City Council of the City serves as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, which was added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge and that the liabilities of the Former Agency will not be transferred to the City, nor will the assets of the Former Agency become assets of the City.

The Redevelopment Plan

The 2020 Bonds are principally payable from Pledged Tax Revenues generated within the boundaries of the Goleta Old Town Redevelopment Project (the “Project Area”). See the caption “THE PROJECT AREA.” The Redevelopment Plan for the Project Area was originally adopted by the County on June 16, 1998. The City assumed control of the Redevelopment Plan for the Project Area after the City incorporated in 2002. The Project Area encompasses approximately 595 acres and consists primarily of commercial, industrial, and residential lands.

Tax Allocation Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming that the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the 2020 Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects.

Under the Indenture, Pledged Tax Revenues consist of all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited or available for deposit by the Auditor-Controller of the County of Santa Barbara (the “County Auditor-Controller”) in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

Pursuant to the Indenture, the Agency will deposit moneys derived from the Project Area constituting Pledged Tax Revenues promptly upon receipt thereof into the Special Fund maintained within the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5(a) of the Dissolution Act. Moneys held in the Special Fund will be transferred to the Trustee at the times specified in the Indenture to make payments of principal of and interest on the 2020 Bonds, all as described under the caption “SECURITY FOR THE 2020 BONDS.”

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the caption “RISK FACTORS.”

Security for the 2020 Bonds

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the Redevelopment Property Tax Trust Fund. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, will be included in the Agency’s Recognized Obligation Payment Schedule, and will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to, and in accordance with, the Dissolution Act. See Appendix B and the caption “SECURITY FOR THE 2020 BONDS—Recognized Obligation Payment Schedule.”

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2020 Bonds, are taxes allocated to the Agency pursuant to the provisions of the Redevelopment Law and the State Constitution which provided for the allocation of tax increment revenues under the Redevelopment Law, as described in the foregoing paragraph.

In accordance with the Dissolution Act, the 2020 Bonds and any Parity Debt (defined in Appendix B) which may be issued in the future are payable from and secured by, and Pledged Tax Revenues include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund.

The 2020 Bonds are payable from and secured by the Pledged Tax Revenues, whether held in the Redevelopment Property Tax Trust Fund or by the Agency or the Trustee. The Indenture grants to Owners of the 2020 Bonds a pledge of, lien on, and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Obligations, and

will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture. Such pledge permits the payment by the County Auditor-Controller of the County's administrative costs to the County as allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to various taxing agencies pursuant to Statutory Pass-Through Amounts (as such term is defined under the caption "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*") and payment by the Agency of its obligations under the Prior Agreement as described under the caption "SECURITY FOR THE 2020 BONDS—Prior Agreement," prior to payment of the principal and interest on the 2020 Bonds. Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the Project Area, to the extent that such taxes constitute Pledged Tax Revenues as described in this Official Statement, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See the captions "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*," "—Statutory Pass-Through Amounts," "—Prior Agreement," and "—Recognized Obligation Payment Schedule." Moneys deposited by the County Auditor-Controller into the Agency's Redevelopment Obligation Retirement Fund, and the Special Fund held therein, will be transferred by the Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Area are no longer required to be deposited into the Low and Moderate Income Housing Fund. As described below under the captions "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Elimination of Housing Set-Aside*" and "—Prior Agreement," the Agency's payment obligations under the Prior Agreement are secured by a prior pledge of Housing Set-Aside moneys. Therefore, payments under the Prior Agreement are payable from the Housing Set-Aside portion of tax increment revenues from the Project Area on a senior basis to the debt service on the Bonds through the final payment under the Prior Agreement, which the Agency currently expects will come due in [Fiscal Year 2025-26]. See the captions "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Elimination of Housing Set-Aside*" and "—Prior Agreement" and tables 5 and 6 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues."

The Agency has no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the captions "SECURITY FOR THE 2020 BONDS" and "RISK FACTORS."

Senior Obligations

The use of Pledged Tax Revenues from the Project Area to pay debt service on the 2020 Bonds is subject to the prior payment of permitted administrative costs of the County Auditor-Controller, payments to certain taxing entities of Statutory Pass-Through Amounts and payments under the Prior Agreement. See the captions "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*" for a description of the County's administrative costs, "SECURITY FOR THE 2020 BONDS—Statutory Pass-Through Amounts" for a description of the Statutory Pass-Through Amounts and "SECURITY FOR THE 2020 BONDS—Prior Agreement" for a description of the Agency's obligations under the Prior Agreement.

Upon the issuance of the 2020 Bonds and the completion of the refunding described under the caption "REFUNDING PLAN" there will be no bonds or agreements outstanding with a pledge or lien on the Pledged Tax Revenues senior to or on a parity with the 2020 Bonds other than the Prior Agreement.

Issuance of Parity Debt

The Indenture permits the Agency to issue Parity Debt to refund outstanding 2020 Bonds or Parity Debt, subject to compliance with certain requirements set forth in the Indenture. See “SECURITY FOR THE 2020 BONDS—Issuance of Additional Indebtedness.”

Bond Insurance

[The scheduled payment of principal of and interest on the 2020 Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Insured Bonds by the 2020 Insurer. See the captions “—Authority and Purpose” and “BOND INSURANCE.”]

Reserve Account

A Reserve Account for the 2020 Bonds is established pursuant to the Indenture in an amount equal to the initial Reserve Requirement of \$_____. The Reserve Requirement for the 2020 Bonds shall not increase, but may decrease, following the Closing Date. See “SECURITY FOR THE 2020 BONDS—Transfer of Amounts by Trustee—Reserve Account.”

The Reserve Account (or subaccounts therein) will also secure any Parity Debt for which the Agency decides to fund a reserve. The Agency is not required to fund a reserve in connection with the issuance of Parity Debt, but may do so on a combined or stand-alone basis. The Reserve Requirement for the 2020 Bonds or any series (or multiple series) of Parity Debt for which a reserve is to be funded will be calculated, as of any date of computation, as the lesser of: (i) 125% of the average Annual Debt Service with respect to such series (or multiple series) of Bonds, (ii) Maximum Annual Debt Service with respect to such series (or multiple series) of Bonds, or (iii) with respect to such series (or multiple series) of Bonds, 10% of the original principal amount of such series (or multiple series) of Bonds (or, if such series (or multiple series) of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series (or multiple series) of Bonds; provided, that in no event shall the Successor Agency, in connection with the issuance or incurrence of Parity Debt be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of the Indenture. See “SECURITY FOR THE 2020 BONDS—Transfer of Amounts by Trustee.”

[The Reserve Requirement for the 2020 Bonds (calculated on a standalone basis) will be satisfied by the delivery of the Reserve Policy by the 2020 Insurer. The Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2020 Bonds are Outstanding, any rating assigned to the 2020 Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Policy, other than in connection with a draw on the Reserve Policy. See “BOND INSURANCE.”]

Further Information

Brief descriptions of the 2020 Bonds, the Indenture, the Agency, the Former Agency and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bond Law, the Redevelopment Law, the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Agency and the City are qualified in their entirety by reference to such documents. References herein to the 2020 Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto

included herein, copies of which are all available for inspection at the offices of the Agency. Copies of the forms of all documents are available from the City Clerk's office, City of Goleta, 130 Cremona Drive, Suite B, Goleta, California 93117.

Capitalized terms used herein and not defined have the meanings set forth in Appendix B.

REFUNDING PLAN

General

The Agency expects to apply a portion of the proceeds of the 2020 Bonds, together with other funds on hand, to refund on a current basis all amounts payable pursuant to the Former Agency's \$16,085,000 initial aggregate principal amount Redevelopment Agency for the City of Goleta, Goleta Old Town Redevelopment Project, 2011 Tax Allocation Bonds (the "Refunded Obligations"), which are currently outstanding in the principal amount of \$14,355,000.

The Agency is issuing the 2020 Bonds to provide moneys (together with other available funds of the Agency) necessary to refund the Refunded Obligations in whole. On the date of issuance of the 2020 Bonds, a portion of the proceeds of the 2020 Bonds and other available funds of the Agency will be transferred, pursuant to an escrow agreement (the "Escrow Agreement"), to The Bank of New York Mellon Trust Company, N.A. (the "Escrow Bank"). Such moneys shall be [held uninvested and] applied by the Escrow Bank to the redemption and defeasance of the Refunded Obligations.

The amounts held by the Escrow Bank under the Escrow Agreement are pledged solely to the redemption of the Refunded Obligations. The moneys deposited with the Escrow Bank under the Escrow Agreement will not be available for the payments of principal of and interest on the 2020 Bonds.

Estimated Sources and Uses of Funds

The estimated sources and uses of the 2020 Bonds and other available moneys are summarized as follows:

Sources:	
Principal Amount of 2020 Bonds	\$
Plus Other Available Moneys ⁽¹⁾	
[Plus/Less Net Original Premium/Discount]	_____
Total Sources:	\$ _____
 Uses:	
Refunding Fund	\$
Costs of Issuance ⁽²⁾	
Total Uses:	\$ _____

⁽¹⁾ Includes moneys on deposit in funds and accounts of the Refunded Obligations.

⁽²⁾ Includes fees and expenses of Bond and Disclosure Counsel, Municipal Advisor, Fiscal Consultant, Trustee, Escrow Agent, and City Attorney, printing expenses, rating agency fees, Underwriter's discount, [premiums for the Policy and Reserve Policy,] if obtained, and other miscellaneous costs.

THE 2020 BONDS

Authority for Issuance

The 2020 Bonds are authorized for issuance pursuant to the Indenture, the Bond Law, the Redevelopment Law and the Dissolution Act. Direction to undertake the issuance of the 2020 Bonds and the

execution of the related documents was authorized by the Agency pursuant to Resolution No. _____ adopted on [January 21, 2020] (the “Resolution”), and by the Santa Barbara Countywide Oversight Board pursuant to Resolution No. _____ adopted on [January 22, 2020] (the “Oversight Board Action”).

Written notice of the Oversight Board Action was provided to the State Department of Finance (the “DOF”) pursuant to the Dissolution Act, and the DOF requested a review within five business days of such written notice. On _____, 2020, which is within the time period allotted under the Dissolution Act for the DOF to review the Oversight Board’s approving resolution, the DOF provided a letter to the Agency stating that based on the DOF’s review and application of the law, the Oversight Board Action approving the 2020 Bonds is approved by the DOF. A copy of the DOF’s letter is set forth in Appendix F.

Description of the 2020 Bonds

The 2020 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2020 Bond will have more than one maturity date. The 2020 Bonds will be dated as of their Closing Date.

Interest on the 2020 Bonds will be payable semiannually on June 1 and December 1 in each year, commencing on June 1, 2020 (each, an “Interest Payment Date”). Each 2020 Bond will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) 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 will bear interest from such Interest Payment Date; or (b) it is authenticated on or before May 15, 2020, in which event it will bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2020 Bond, interest thereon is in default, such 2020 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2020 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner’s address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2020 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2020 Bonds will be paid on the succeeding Interest Payment Date by wire to such account in the United States as will be specified in such written request. The principal of the 2020 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Book-Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See Appendix D for further information with respect to DTC and its book-entry system.

Redemption

Optional Redemption. The 2020 Bonds maturing on or prior to December 1, 20__ are not subject to optional redemption. The 2020 Bonds maturing on or after December 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after December 1, 20__, by such maturity or maturities as shall be directed by the Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional

redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2020 Bonds maturing December 1, 20__ (the “2020 Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on December 1 in each year, commencing December 1, 20__, as set forth below, from sinking fund payments made by the Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following table; provided however, that (y) in lieu of redemption thereof such 2020 Term Bonds may be purchased by the Agency pursuant to the Indenture, and (z) if some but not all of such 2020 Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2020 Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Agency (notice of which determination shall be given by the Agency to the Trustee).

2020 Term Bonds of 20__

***Sinking Fund Redemption Date
(December 1)***

***Principal Amount
to be Redeemed***

\$

(maturity)

Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, (i) to any Bond Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a written request of the Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of an optional redemption described above, that such redemption is conditioned upon the timely delivery of the redemption price by the Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Annual Debt Service

The table below sets forth the annualized debt service on the 2020 Bonds, assuming no optional redemption prior to maturity.

<i>Bond Year (Amount Payable as of December 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$	\$	\$
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
Total	\$ _____	\$ _____	\$ _____

Source: Underwriter.

SECURITY FOR THE 2020 BONDS

General

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB X1 26,

using current assessed values on the last equalized roll on August 20, and to deposit such amount in the Redevelopment Property Tax Trust Fund for the Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date; will be included in the Agency's Recognized Obligation Payment Schedule and will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to the Dissolution Act. Property tax revenues pledged to any bonds authorized to be issued by the Agency under the Dissolution Act, including the 2020 Bonds, are taxes allocated to the Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution. See Appendix B and the caption "—Recognized Obligation Payment Schedule."

Pursuant to Section 33670(b) of the Redevelopment Law and Section 16 of Article XVI of the State Constitution, and as provided in the Redevelopment Plan for the Project Area, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, or the respective effective dates of ordinances approving amendments to the redevelopment plan that added territory to the Project Area, as applicable, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the applicable Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the redevelopment plan, or the respective effective dates of ordinances approving amendments thereto that added territory to the Project Area, as applicable (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency (as discussed under the caption "PROPERTY TAXATION IN CALIFORNIA—Article XIII A of the State Constitution"), that portion of the levied taxes each year in excess of such amount, annually allocated within the redevelopment plan limit, when collected will be paid into a special fund of the Former Agency. Section 34172(a) of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund will be deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Former Agency or the Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above constitutes the amount required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date referred to in paragraph (b) above. SB 107 provides that debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects or programs related to the State Water Project that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override.

The 2020 Bonds are payable from and secured by deposits into the Redevelopment Property Tax Trust Fund to be derived from the Project Area on a subordinate basis to amounts required to pay certain County administrative costs to the County, to pay Statutory Pass-Through Amounts to taxing entities, and to make payments under the Prior Agreement. See the captions “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*,” “SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*,” “Statutory Pass-Through Amounts,” and “Prior Agreement.”

The Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Pledged Tax Revenues available in any fiscal year (defined as July 1 through June 30) to pay the principal of and interest on the 2020 Bonds. See the captions “—Tax Increment Financing,” “—Recognized Obligation Payment Schedule,” “PROPERTY TAXATION IN CALIFORNIA” and “RISK FACTORS.”

The 2020 Bonds are not a debt of the City, the State, or any of its political subdivisions (other than the Agency), and neither said City, said State, nor any of its political subdivisions (other than the Agency) is liable thereon, nor in any event will the 2020 Bonds be payable out of any funds or properties other than those of the Agency. The 2020 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Pledged Tax Revenues

The Indenture provides that, subject to certain prior payments described therein, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Obligations, are irrevocably pledged to secure the payment of the principal of and interest on the 2020 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge will constitute a lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues that were pledged to the Refunded Obligations, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture; provided however, that the County Auditor-Controller is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County’s administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183 of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to the Statutory Pass-Through Amounts (unless such payments are subordinated to payments on the 2020 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Redevelopment Law or Section 34177.5(c) of the Dissolution Act) and provided further that the Agency is required to make payments from Pledged Tax Revenues under the Prior Agreement on a basis senior to the 2020 Bonds. Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2020 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2020 Bonds.

The Indenture further provides that the Debt Service Fund and any fund or account created under the Indenture, including amounts on deposit therein (including proceeds of the 2020 Bonds), are irrevocably pledged under the Indenture to secure the payment of the principal of and interest on the 2020 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge will constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under the Indenture, and including amounts on deposit therein (including proceeds of the 2020 Bonds), and will attach, be perfected and be valid and binding against all

parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture.

Pursuant to Section 34177.5(g) of the Dissolution Act, except as provided in the Indenture, the 2020 Bonds and Parity Debt will be secured by a pledge of and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the County Auditor-Controller related to the Agency, which moneys, subject to the payment by the County Auditor-Controller of certain amounts to pay County administrative expenses as allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and Statutory Pass-Through Amounts to taxing entities and subject to the Agency's payment obligations under the Prior Agreement, constitute Pledged Tax Revenues under the Indenture. See the caption "*—Tax Increment Financing—Tax Sharing,*" "*—Statutory Pass-Through Amounts,*" and "*—Prior Agreement*" below.

As defined in the Indenture, "Pledged Tax Revenues" means all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited or available for deposit by the County Auditor-Controller in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act. See Appendix B.

The Indenture provides for payment of the Bonds using Pledged Tax Revenues after the prior payment of Statutory Pass-Through Amounts and payments required by the Prior Agreement (such revenues are referred to at times herein as "Net Pledged Tax Revenues"). See "*SECURITY FOR THE 2020 BONDS—Tax Increment Financing—Elimination of Housing Set-Aside,*" "*—Statutory Pass-Through Amounts,*" and "*—Prior Agreement.*"

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent that they constitute Pledged Tax Revenues as described below, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's approved Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See the caption "*—Recognized Obligation Payment Schedule.*" Moneys deposited by the County Auditor-Controller into the Agency's Redevelopment Obligation Retirement Fund will be transferred by the Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

In consideration of the acceptance of the 2020 Bonds and other Bonds by those who will hold the same from time to time, the Indenture constitutes a contract between the Agency and the Owners from time to time of the 2020 Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Agency will be for the equal and proportionate benefit, security and protection of all Owners of the 2020 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2020 Bonds and other 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 in the Indenture.

Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues

The Agency has established the Redevelopment Obligation Retirement Fund and the Special Fund therein pursuant to Section 34170.5(a) of the Dissolution Act, which the Agency will continue to hold so long as any of the 2020 Bonds are Outstanding. The Indenture also establishes a separate fund known as the "Debt Service Fund" and the accounts therein which will be held by the Trustee. The Agency will deposit all of the Pledged Tax Revenues received in any Bond Year in the Special Fund promptly upon receipt by the Agency, and thereafter will transfer amounts received to the Debt Service Fund until such time as the amounts so

transferred to the Debt Service Fund equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account, and the Reserve Account of the Debt Service Fund pursuant to the Indenture on the next succeeding Interest Payment Date following such receipt of Pledged Tax Revenues by the Agency and for deposit in the funds and accounts established with respect to Parity Debt on the next succeeding Interest Payment Date following such receipt of Pledged Tax Revenues by the Agency, as provided in any Supplemental Indenture.

Transfer of Amounts by Trustee

The Indenture creates accounts within the Debt Service Fund as set forth below, to be known respectively as the Interest Account, the Principal Account, and the Reserve 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 established with the Trustee by the Indenture, in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2020 Bonds, the Agency will immediately notify the Trustee of the amount of any such insufficiency and the Trustee will deposit amounts received from the Agency into sub-accounts of the Interest Account and/or Principal Account, as applicable, on a pro-rata basis):

Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of June 1, 2020, the Agency will withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2020 Bonds as it becomes due and payable.

Principal Account. On or before the fifth (5th) Business Day preceding December 1 in each year beginning December 1, 2020 (with respect to the 2020 Bonds), the Agency will withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next December 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next December 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same becomes due and payable.

Reserve Account. There has been established in the Debt Service Fund by the Indenture a separate fund and account known as the “Reserve Account” solely as security for payments on the 2020 Bonds payable by the Agency pursuant to the Indenture, which will be held by the Trustee in trust for the benefit of the Owners of the 2020 Bonds.

The Reserve Account (or subaccounts therein) will also secure any Parity Debt for which the Agency decides to fund a reserve. The Agency is not required to fund a reserve in connection with the issuance of Parity Debt, but may do so on a combined or stand-alone basis. The Reserve Requirement for the 2020 Bonds or any series (or multiple series) of Parity Debt for which a reserve is to be funded will be calculated, as of any date of computation, as the lesser of: (i) 125% of the average Annual Debt Service with respect to such series (or multiple series) of Bonds, (ii) Maximum Annual Debt Service with respect to such series (or multiple series) of Bonds, or (iii) with respect to such series (or multiple series) of Bonds, 10% of the original principal

amount of such series (or multiple series) of Bonds (or, if such series (or multiple series) of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series (or multiple series) of Bonds; provided, that in no event shall the Successor Agency, in connection with the issuance or incurrence of Parity Debt be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of the Indenture. See the caption “INTRODUCTORY STATEMENT—Reserve Account.”

[The Reserve Requirement for the 2020 Bonds (calculated on a standalone basis) will be satisfied by the delivery of the Reserve Policy by the 2020 Insurer on the Closing Date with respect to the 2020 Bonds. The Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2020 Bonds are Outstanding, any rating assigned to the 2020 Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Policy, other than in connection with a draw on the Reserve Policy.]

No Reserve Account Required for Parity Debt. The Indenture permits the issuance of Parity Debt without funding any Reserve Requirement with respect to such Parity Debt. The Agency may be more likely to default on the payment of Parity Debt issued without funding the Reserve Requirement and in the event the Agency has insufficient revenues to pay debt service on the 2020 Bonds and Parity Debt, Pledged Tax Revenues would be applied pro-rata to the payment of such Parity Debt and the 2020 Bonds. See the captions “SECURITY FOR THE 2020 BONDS—Issuance of Additional Indebtedness” and “RISK FACTORS—Parity Debt Issued Without Reserve.”

See Appendix B under the caption “SECURITY OF BONDS; FLOW OF FUNDS—Deposit of Amounts by Trustee—*Reserve Account*” for further information with respect to the procedure for drawing upon the Reserve Account.

Tax Increment Financing

General. Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming that the taxable valuation exceeds the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the 2020 Bonds, that are issued by a successor agency to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to that successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Under the Indenture, Pledged Tax Revenues consist of the amounts deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to and as provided in the Dissolution Act. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the caption “RISK FACTORS.”

Tax Sharing. The Redevelopment Law authorized redevelopment agencies to make contractual payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project; however, the Former Agency did not enter into any such agreements. Sections 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the “Statutory Pass-Through Amounts”). (See the caption “—Statutory Pass-Through Amounts” below.) Further, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law (“33676 Amounts”); however the Redevelopment Plan for the Project Area was adopted after January 1, 1994. (See the caption “—Section 33676 Election” below.)

The Dissolution Act requires the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed as Statutory Pass-Through Amounts or 33676 Amounts to the taxing entities on each January 2 and June 1 before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Agency’s Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the Agency; (ii) the Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Agency from the Redevelopment Property Tax Trust Fund allocation to the Agency’s Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the Agency’s enforceable obligations, pass-through payments and the Agency’s administrative cost allowance for the applicable six-month period; and (iii) the State Controller has concurred with the Agency that there are insufficient funds for such purposes for the applicable six-month period.

The Dissolution Act provides for a procedure by which the Agency may make Statutory Pass-Through Amounts subordinate to the 2020 Bonds. The Agency has not undertaken the requisite procedures to obtain subordination of the Statutory Pass-Through Amounts and, therefore, amounts due as Statutory Pass-Through Amounts are senior in payment priority to the 2020 Bonds. See the caption “PLEDGED TAX REVENUES” for projections of Pledged Tax Revenues, which take into account projected payments of Statutory Pass-Through Amounts. See “THE PROJECT AREA” for additional information regarding assessed values and tax revenues generated in the Project Area.

Elimination of Housing Set-Aside. Before the dissolution of the Former Agency, the Redevelopment Law required the Former Agency to set aside not less than 20% of the gross tax increment allocated to the Former Agency from the Project Area, i.e., the “Housing Set-Aside,” in the Former Agency’s Low and Moderate Income Housing Fund, to be expended for low and moderate income housing purposes. Generally, the Former Agency was authorized to use the Housing Set-Aside to pay debt service on bonds solely to the extent that the proceeds of such bonds were used to finance or refinance low and moderate income housing projects. In contrast, under the Redevelopment Law, the Former Agency was authorized to use the portion of tax increment that was not part of the Housing Set-Aside (the “Non-Housing Portion”) to pay debt service on all bonds and other indebtedness of the Former Agency incurred to finance or refinance redevelopment projects for the Project Area, subject to limitations set forth in the indentures or other governing documents.

The Dissolution Act has eliminated the Low and Moderate Income Housing Fund and the requirement to deposit the Housing Set-Aside into such fund. The Redevelopment Property Tax Trust Fund flow of funds under the Dissolution Act makes no distinction between obligations that were, in whole or in part, secured by and payable from the Housing Set-Aside and obligations that were solely secured by and payable from the Non-Housing Portion. In effect, after the Former Agency’s dissolution, all of the Agency’s outstanding obligations are paid from Redevelopment Property Tax Trust Fund disbursements without distinction between obligations related to housing and non-housing projects.

As described below under the caption “—Prior Agreement,” the Agency’s payment obligations under the Prior Agreement are secured by a prior pledge of Housing Set-Aside moneys. Health and Safety Code Section 34175(a) provides: “It is the intent of this part that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.” Therefore, payments under the Prior Agreement, which are secured by a pledge and lien on moneys in the Housing Fund, are payable from the Housing Set-Aside portion of tax increment revenues from the Project Area on a senior basis to the debt service on the Bonds through the final payment under the Prior Agreement, which the Agency currently expects will come due in [Fiscal Year 2025-26]. See the caption “—Prior Agreement” and tables 5 and 6 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.”

Recognized Obligation Payment Schedule

On or before each February 1, with respect to each fiscal year, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency’s oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as such term is defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, “enforceable obligation” includes bonds, including the required debt service, reserve set-asides and any other payments required under an indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the Low and Moderate Income Housing Fund. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year.

Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the Low and Moderate Income Housing Fund; (ii) bond proceeds; (iii) reserve balances; (iv) administrative cost allowance; (v) the Redevelopment Property Tax Trust Fund (but only to the extent that no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act); or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Each annual Recognized Obligation Payment Schedule may be amended once, provided that (i) the Agency submits the amendment to DOF no later than October 1, (ii) the Oversight Board makes a finding that the amendment is necessary for the payment of approved enforceable obligations during the second half of the Recognized Obligation Payment Schedule period (from January 1 to June 30, inclusive), and (iii) the Agency may only amend the amount requested for payment of approved enforceable obligations. DOF shall notify the Agency and the County Auditor-Controller as to whether the Agency’s requested amendment is approved at least 15 days before the January 2 property tax distribution.

The Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the DOF and the State Controller by February 1 in each year with respect to the Agency’s payment obligations during the next fiscal year. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment

Schedule by such deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day that the schedule is not submitted. Additionally, the Agency's administrative cost allowance will be reduced by 25% for any fiscal year for which the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline. If the Agency fails to submit a Recognized Obligation Payment Schedule by the February 1 deadline, any creditor of the Agency or the DOF or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the Agency to immediately perform this duty. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the 2020 Bonds, see the caption "RISK FACTORS—Recognized Obligation Payment Schedule."

With respect to each Recognized Obligation Payment Schedule submitted by the Agency, the Dissolution Act requires the DOF to make a determination of the enforceable obligations and the amounts and funding sources available to pay approved enforceable obligations no later than April 15. Within five business days of the determination by the DOF, the Agency may request additional review by the DOF and an opportunity to meet and confer on disputed items, if any. The DOF will notify the Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the June 1 property tax distribution date preceding the applicable Recognized Obligation Payment Schedule period. Additionally, the County Auditor-Controller may review a submitted Recognized Obligation Payment Schedule and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the County Auditor-Controller must provide notice of any such objections to the Agency, the Oversight Board and the DOF at least 60 days prior to the next property tax distribution date.

See the caption "—Last and Final Recognized Obligation Payment Schedule" for a description of the Last and Final Recognized Obligation Payment Schedule authorized by the Dissolution Act pursuant to SB 107.

The Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to such date, will be included in the Agency's Recognized Obligation Payment Schedule and will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to the Dissolution Act. Further, the Dissolution Act provides that the scheduled payments on bonds issued by a successor agency with the approval of the oversight board and DOF shall be listed in the Recognized Obligation Payment Schedule and shall not be subject to further review and approval by the department or the Controller.

In order to ensure the timely payment of debt service on the 2020 Bonds, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Agency will submit an Oversight Board-approved Recognized Obligation Payment Schedule to DOF and to the County Auditor-Controller that will include, from the first Pledged Tax Revenues distributed to the Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to payments for County administrative expenses and to certain taxing entities and subject to payments under the Prior Agreement, as provided in the Indenture): (i) all debt service due on all Outstanding 2020 Bonds and Parity Debt coming due during such Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the 2020 Insurer or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2020 Insurer or to any other Insurer). The Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest coming due during the applicable Bond Year from the RPTTF moneys to be distributed to the Successor

Agency on the January 2 RPTTF distribution date during such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the RPTTF on June 1 during such Bond Year.

The Agency covenants in the Indenture that it will comply with the requirements of the Dissolution Act, including without limitation to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture. See Appendix B.

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit a successor agency to submit a Last and Final Recognized Obligation Payment Schedule (a "Last and Final ROPS") for approval by the oversight board and DOF if: (i) the successor agency's only remaining debt is administrative costs and payments pursuant to enforceable obligations with defined payment schedules, (ii) all remaining obligations have been previously listed on a Recognized Obligation Payment Schedule and approved by DOF, and (iii) the successor agency is not a party to outstanding or unresolved litigation. The Last and Final ROPS must list the remaining enforceable obligations of the successor agency in the following order: (A) enforceable obligations to be funded from the Redevelopment Property Tax Trust Fund, (B) enforceable obligations to be funded from bond proceeds or other legally or contractually dedicated or restricted funding sources, and (C) loans or deferrals authorized for repayment to the city that created the redevelopment agency or the successor to the former redevelopment agency's housing functions and assets. The Last and Final ROPS must also include the total outstanding obligation and a schedule of remaining payments for each enforceable obligation described in (A) and (B) above, and the total outstanding obligation and an interest rate of 4%, for any loans or deferrals listed pursuant to (C) above. The Last and Final ROPS shall also establish the maximum amount of Redevelopment Property Tax Trust Funds to be distributed to the successor agency for each remaining fiscal year until all obligations have been fully paid. DOF approval is required for any Last and Final ROPS to become effective. The county auditor-controller shall also review the Last and Final ROPS and provide any objection to the inclusion of any items or amounts to DOF.

Successor agencies may only amend an approved Last and Final ROPS twice. Approval by the oversight board and DOF is required for any amendment to a Last and Final ROPS to become effective. The Dissolution Act provides DOF with 100 days to approve or deny an amendment to a Last and Final ROPS. Each amended Last and Final ROPS approved by DOF shall become effective in the subsequent Redevelopment Property Tax Trust Fund distribution period. If an amended Last and Final ROPS is approved less than 15 days before the date of the property tax distribution, the Last and Final ROPS shall not be effective until the subsequent Redevelopment Property Tax Trust Fund distribution period.

Any revenues, interest, and earnings of the successor agency, including proceeds from the disposition of real property, that are not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the county auditor-controller for distribution to the affected taxing entities. A successor agency shall not expend more than the amount approved for each enforceable obligation listed on the approved Last and Final ROPS. The county auditor-controller shall no longer distribute property tax to the successor agency's Redevelopment Property Tax Trust Fund once the aggregate amount of property tax allocated to the successor agency equals the total outstanding obligation approved in the Last and Final ROPS. Commencing on the effective date of the approved Last and Final ROPS, the successor agency shall not prepare or transmit annual Recognized Obligation Payment Schedules.

After the Last and Final ROPS is approved by DOF, the county auditor-controller shall continue to allocate moneys in the successor agency's Redevelopment Property Tax Trust Fund pursuant to Section 34183 of the Dissolution Act; however, the county auditor-controller shall allocate such moneys in each fiscal period, after deducting the county auditor-controller's administrative costs, in the following order of priority: (A) pass through payments pursuant to Section 34183(a)(1) of the Dissolution Act, (B) scheduled debt service payments on tax allocation bonds listed and approved in the Last and Final ROPS, (C) scheduled payments on revenue bonds listed and approved in the Last and Final ROPS, but only to the extent the revenues pledged for them are

insufficient to make the payments and only if the successor agency's tax increment revenues were also pledged for the repayment of bonds, (D) scheduled payments for debts and obligations listed and approved in the Last and Final ROPS to be paid from the Redevelopment Property Tax Trust Fund, (E) payments listed and approved on the Last and Final ROPS that were authorized but unfunded in prior periods, (F) repayment of loans and deferrals to the city that created the redevelopment agency or the successor to the former redevelopment agency's housing functions and assets that are listed and approved on the Last and Final ROPS, and (G) any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers described in (A) to (F), above, shall be distributed to taxing entities in accordance with Section 34183(a)(4) of the Dissolution Act.

If the successor agency reports to the county auditor-controller that the total available amounts in the Redevelopment Property Tax Trust Fund will be insufficient to fund the successor agency's current or future fiscal year obligations, and if the county auditor-controller concurs that there are insufficient funds to pay the required obligations, the county auditor-controller may divert subordinated pass-through payments to the successor agency pursuant to Section 34183(b) of the Dissolution Act. See the caption "—Tax Increment Financing."

The Agency does not currently intend to file a Last and Final ROPS. [Further, the Agency has covenanted in the Indenture not to submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS without the prior written consent of the 2020 Insurer unless all amounts that could become due to the 2020 Insurer are included as a line item on the Last and Final ROPS, as amended.]

Statutory Pass-Through Amounts

Assembly Bill 1290 (Chapter 942, Statutes of 1993) ("AB 1290"), effective January 1, 1994, eliminated the statutory authority for negotiated pass-through agreements and provided a formula for mandatory tax sharing, applicable to projects adopted after January 1, 1994 or amended after that date to add territory or make certain other amendments. These payments, which are to begin the fiscal year following the year a redevelopment plan was adopted (if after January 1, 1994) or the fiscal year following the year that a redevelopment plan's original plan limitations would have taken effect (in the case of pre-1994 redevelopment plans), are calculated using the increase in revenue above the amount of revenue generated by the project area in the year that the redevelopment plan was adopted or the former limit would have been reached, as applicable. Under the Dissolution Act, in particular Section 34183, the County Auditor-Controller is obligated to remit these Statutory Pass-Through Amounts to the affected taxing entities from the Agency's RPTTF for each ROPS period.

As further described herein under the caption "THE PROJECT AREA," the City adopted Ordinance No. 07-05, which amended the Project Area after 1994 to extend by one year the deadline for effectiveness of the Redevelopment Plan and the deadline for receipt of tax increment and repayment of indebtedness and, accordingly, the Agency is required to pay the Statutory Pass-Through Amounts to affected taxing agencies in the Project Area. These tax sharing payments continue so long as tax increment is available to repay indebtedness in the Project Area. The Statutory Pass-Through Amounts are determined by specific formulas under the Law; and post-dissolution, these payment obligations of the Agency to affected taxing entities are administered by the County Auditor-Controller under the Dissolution Act. See "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues" for a projection of such payments.

Generally speaking, under the Law as amended by AB 1290 and as the obligation continues under the Dissolution Act, the Agency is required to pay to the affecting taxing entities percentages of tax increment generated in the Project Area as the Statutory Pass-Through Amounts, as follows:

1. following the expiration of the amended time limit and thereafter, 25% of tax increment revenues (after deducting the Housing Set-Aside amount); plus,

2. for the eleventh year following the triggering event and thereafter, 21% of revenues in excess of tenth year revenue (after deducting the Housing Set-Aside amount); plus,

3. for the thirty-first year following the triggering event and thereafter, 14% of revenues in excess of thirtieth year revenues (after deducting the Housing Set-Aside amount).

The payments of the Statutory Pass-Through Amounts to the affected taxing entities are allocated among each affected taxing entity in proportion to the share of property taxes each affected taxing entity received in the year funds are allocated. As indicated, amounts specified as payable to affected taxing entities are computed after deducting the Housing Set-Aside amounts even though the Agency no longer deposits such amounts into the Housing Fund under the Dissolution Act. The Statutory Pass-Through Amounts have not been subordinated to the 2020 Bonds. See the caption “—Tax Increment Financing—*Tax Sharing*.” Also see the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.” For more information about the Statutory Pass-Through Amounts, see Tables 5 and 6 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues” and the Fiscal Consultant’s Report attached to this Official Statement as Appendix A.

Prior Agreement

The Former Agency entered into an Affordable Housing Assistance Agreement dated as of November 19, 2007 (the “Prior Agreement”), with Sumida Gardens, L.P. (as assignee of Sumida Gardens Limited Partnership) (the “Developer”). The Prior Agreement provided for the development and operation of a multifamily apartment project on 10.26 acres of property located at 5505-5585 Overpass Road in the City (the “Sumida Gardens Project”), and required the Developer to restrict certain of the apartment units to occupancy by low income households. In addition to certain up-front assistance, the Former Agency agreed to pay the Developer an amount equal to \$3,665,784, plus interest, from “Net Tax Increment,” defined in the Prior Agreement to include all tax increment generated with respect to the Sumida Gardens Project, net of the pro-rata share of the Statutory Pass-Through Amounts and County administration fees allocable to the Sumida Gardens Project. As of [January 1, 2020], the outstanding balance owing under the Prior Agreement is [\$2,307,287], including accrued interest; such amount accrues interest at 7%, compounding semi-annually (in the months corresponding with the Agency’s semi-annual receipt of tax increment). The Agency is required to make semi-annual payments equal to the Net Tax Increment received by the Agency; provided, that the Prior Agreement contemplates that the Agency and Developer will periodically agree to a payment schedule based on updated projections of Net Tax Increment. Once the remaining balance owing under the Prior Agreement reaches \$1 million, the Agency is required to pay the remaining balance within 12 months. The Agency’s payment obligation under the Prior Agreement is limited to the Housing Set-Aside portion of the Pledged Tax Revenues. The current Prior Agreement payment schedule is reflected in Tables 5 and 6 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.” The Agency projects that it will receive sufficient Pledged Tax Revenues to satisfy its obligations under the Prior Agreement and pay scheduled debt service on the 2020 Bonds when due.

Issuance of Additional Indebtedness

No Additional Senior Obligations. Under the Indenture, the Agency has covenanted that it will not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the 2020 Bonds.

Upon the issuance of the 2020 Bonds and the completion of the refundings described under the caption “REFUNDING PLAN” there will be no bonds outstanding with a pledge or lien on the Pledged Tax Revenues senior to the 2020 Bonds other than the Prior Agreement.

Parity Debt. Section 34177.5(a) of the Dissolution Act presently permits successor agencies to issue bonds or incur other indebtedness secured by property tax revenues comprised of former tax increment

revenues required by the Dissolution Act to be deposited into the respective Redevelopment Property Tax Trust Fund for the applicable successor agency under limited circumstances, including 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 or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or the indebtedness will not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds or indebtedness may be greater than the outstanding principal amount of the bonds or other indebtedness to be refunded. The successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, having the same lien priority as the pledge of the bonds or other obligations to be refunded.

In addition to the 2020 Bonds, the Agency may issue Parity Debt to refund any outstanding 2020 Bonds or Parity Debt for savings, in such principal amount as will be determined by the Agency. The Agency may issue and deliver any such Parity Debt subject to the following conditions precedent:

(a) No Event of Default under the Indenture or an event of default under any Parity Debt Instrument will have occurred and be continuing unless cured by the issuance of such Parity Debt;

(b) The Parity Debt must be issued to provide savings to the Successor Agency in compliance with Health and Safety Code Section 34177.5(a);

(c) A Supplemental Indenture or Parity Debt Instrument must be adopted which must (i) state the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Parity Debt in a separate account of the Reserve Account to be held as separate security for such series of Parity Debt, or, if the Parity Debt will be secured by the Reserve Account on a parity with the 2020 Bonds or other Parity Debt, state the common reserve requirement for such series of Parity Debt shall be specified in the Supplemental Indenture; (ii) designate accounts in the Debt Service Fund and accounts therein including the Reserve Account to be applicable to such Parity Debt; and (iii) set forth such other provisions that are appropriate or necessary and are not inconsistent with the provisions of the Indenture; and

(d) The Agency must deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in the Indenture have been satisfied.

Subordinate Obligations. The Agency has various significant enforceable obligations that are, or will be, listed on the Agency's Recognized Obligation Payment Schedules and paid from moneys deposited in the Agency's Redevelopment Property Tax Trust Fund from time to time. The Agency has determined that these obligations are either subordinate to the 2020 Bonds or not secured by a pledge of Pledged Tax Revenues. Nothing contained in the Indenture prevents the Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2020 Bonds.

BOND INSURANCE

The information under this caption has been prepared by _____ (the "2020 Insurer") for inclusion in this Official Statement. Neither the Agency nor the Underwriter has reviewed this information, nor does the Agency or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not complete and reference is made to Appendix I for a specimen of the Policy.

[TO COME]

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” Secured and unsecured property is entered on separate parts of the assessment roll maintained by county assessors. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens. See the caption “RISK FACTORS—Bankruptcy and Foreclosure” for certain limitations on the priority of secured tax liens under federal law, however.

Generally, *ad valorem* taxes are collected by a county for the benefit of the various taxing agencies (cities, schools and special districts) that share in the *ad valorem* tax (each, a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Fund.

Collections. The method of collecting delinquent taxes is substantially different for secured and unsecured property. Counties have four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer; (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31. [The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State. Accordingly, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each redevelopment successor agency in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the Agency receives no adjustments for redemption payments on delinquent collections. The Agency does receive supplemental taxes and refunds, if any, are deducted from amounts available for deposit to the Redevelopment Property Tax Trust Fund. There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.]

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Prior to the enactment of this law, the assessment of such changes was permitted only as

of the next tax lien date following the change, which delayed the realization of increased property taxes from the new assessments for up to 14 months. Revenue and Taxation Code Section 75.70 provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of the Project Area subsequent to the January 1 lien date. To the extent that such supplemental assessments occur within the Project Area, Pledged Tax Revenues may increase. However, because supplemental assessments cannot be accurately projected, no provision has been made by the Fiscal Consultant to reflect the impact of supplemental assessments on Pledged Tax Revenues. See Appendix A.

Property Tax Administrative Costs. In 1990, the State Legislature enacted Senate Bill (“SB”) 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from Pledged Tax Revenues. The County’s total administrative charge for the Project Area, deducted from the Fiscal Year 2017-18 Redevelopment Property Tax Trust Fund allocation to the Agency, amounted to approximately 1.8% of the total gross tax revenue allocation for such period. The Fiscal Consultant assumes that the County property tax administration will continue to be annually charged at this percentage factor to the gross tax revenue generated by the Project Area in subsequent fiscal years. See the projections set forth in the Fiscal Consultant’s Report attached as Appendix A and under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues” herein.

Pass-Through Agreements. Prior to 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay tax increment revenues to any taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency’s determination was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. Such agreements normally provide for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements. The Agency is not a party to any pass-through agreements with affected taxing agencies.

Statutory Pass-Through Amounts. The payment of Statutory Pass-Through Amounts results from: (i) redevelopment plan amendments which add territory in existing project areas on or after January 1, 1994; and (ii) redevelopment plan amendments which eliminate, extend or increase one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due to affected taxing entities is described in Sections 33607.5 and 33607.7 of the Redevelopment Law. See the caption “SECURITY FOR THE 2020 BONDS—Statutory Pass-Through Amounts” for a discussion of the Agency’s obligation to pay Statutory Pass-Through Amounts to affected taxing agencies. Also see the caption “SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*.”

Section 33676 Election

Prior to the enactment of AB 1290, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law (defined above as “33676 Amounts”). The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code (and referred to as the 2% inflation allocation). Because the Redevelopment Plan for the Project Area was adopted after January 1, 1994, no taxing entities within the Project Area are receiving payments under Section 33676:

Recognized Obligation Payment Schedule. The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each February 1, with respect to the following fiscal year, the Dissolution Act requires successor agencies to prepare and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to each June 1 property tax distribution date. See the caption "SECURITY FOR THE 2020 BONDS—Recognized Obligation Payment Schedule" and "RISK FACTORS—Recognized Obligation Payment Schedule." See also "SECURITY FOR THE 2020 BONDS—Last and Final Recognized Obligation Payment Schedule" for a description of the Last and Final ROPS authorized by the Dissolution Act pursuant to SB 107.

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. AB 454 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. AB 454 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is located. The intent of AB 2890 and AB 454 is to provide redevelopment agencies with their appropriate share of revenue generated from property assessed by the State Board of Equalization.

[Actual unitary revenues were \$_____ for Fiscal Year 2018-19.] Unitary tax revenues are pledged to payment of the 2020 Bonds; however, the projections of Pledged Tax Revenues set forth in Tables 5 and 6 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues" and in the Fiscal Consultant's Report attached hereto as Appendix A do not include unitary revenues.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved an amendment (commonly known as Proposition 13 or the Jarvis-Gann Initiative) which added Article XIII A to the State Constitution. Article XIII A limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the State fiscal year 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced. Each year the State Board of Equalization announces the applicable adjustment factor. Since the adoption of Proposition 13,

inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. During the ten previous Fiscal Years, the inflation factor has been less than 2% on five occasions. The table below reflects the inflation adjustment factors for Fiscal Year 2019-20, the current Fiscal Year, and the 10 prior Fiscal Years.

Historical Inflation Adjustment Factors

<i>Fiscal Year</i>	<i>Inflation Adj. Factor</i>
2009-10	2.000%
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525
2017-18	2.000
2018-19	2.000
2019-20	2.000

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A: (i) exempts from the 1% tax limitation taxes to pay debt service on: (a) indebtedness approved by the voters prior to July 1, 1978; or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional *ad valorem* taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the State Supreme Court and the United States Supreme Court.

In the general election held on November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchase” and “change of ownership,” for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of: (1) real property between spouses; and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the State Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county to transfer the old residence assessed value to the new residence. As a result of the State Legislature’s action, the growth of property tax revenues may decline.

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Appropriations Limitation – Article XIII B

On November 6, 1979, State voters approved Proposition 4 (also known as the Gann Initiative), which added Article XIII B to the State Constitution. Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is State fiscal year 1978-79, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness is not deemed to be the receipt by an agency of proceeds of taxes levied by or on behalf of an agency within the meaning of Article XIII B, nor will such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two State appellate court decisions. On the basis of these decisions, the Agency does not believe that it is subject to Article XIII B and has not adopted an appropriations limit.

Articles XIII C and XIII D of the State Constitution

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIII C and XIII D to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The 2020 Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See the caption “—Propositions 218 and 26.”

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness, and *not* to redevelopment agencies. SB 107, which became effective on September 22, 2015, amended Section 34183(a)(1) of the Dissolution Act to provide that such debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects or programs related to the State Water Project that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override. See “SECURITY FOR THE 2020 BONDS—General.”

Redevelopment Plan Limits

In 1993, the State legislature passed AB 1290, Chapter 942, Statutes 1993, which, among other things, required redevelopment agencies to adopt time limits in each redevelopment plan specifying: (i) the last date to incur debt for a redevelopment project; (ii) the last date to undertake redevelopment activity within a project area; (iii) the last date to collect tax increment revenue from a project area to repay debt; and (iv) a limitation on the number of dollars of taxes that could be allocated to the Former Agency from the applicable Project Area. See the caption “THE PROJECT AREA.”

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency’s enforceable obligations. Accordingly, the projections set forth in this Official Statement and in the Fiscal Consultant’s Report attached to this Official Statement as Appendix A do

not take into account the time and financial limitations set forth in the Redevelopment Plan for the Project Area. See the captions “THE PROJECT AREA—General” and “—Plan Limits.”

[The County Auditor-Controller will only deposit revenues into the RPTTF for Project Area that reach their Plan Limits in the future if the Agency demonstrates that such revenues are needed to pay the Agency’s enforceable obligations. See the captions “RISK FACTORS—Effect of Redevelopment Plan Limits.”]

Appeals of Assessed Values

Pursuant to State law, a property owner may apply for a reduction of the property tax assessment for such owner’s property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner’s property in any one year must submit an application to the County Assessment Appeals Board (the “Appeals Board”). Applications for any tax year must be submitted by November 30 of such tax year. Following a review of each application by the staff of the County Assessor’s Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as “ongoing hardship”), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the “base year” value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for “ongoing hardship” in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Pledged Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See Appendix A for information regarding the appeals pending with respect to the assessed valuations of the top ten property owners within the Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions pursuant to Proposition 8 may be initiated by the County Assessor or requested by the property owner, and such reductions apply only to a single tax year.

After a roll reduction is granted pursuant to Proposition 8, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The County Assessor has the ability to use Proposition 8 criteria to apply blanket reductions in valuation to classes of property affected by particular negative economic conditions. The Agency is aware that the County Assessor made such reductions to assessed values of residential property in the Project Area and the City generally during the recession that started in 2008; however, all such reductions have since been reversed. The Fiscal Consultant's Report does not assume any future reductions in assessed valuations as a result of Proposition 8, but there can be no assurance that such reductions will not be made in the future. See the caption "THE PROJECT AREA" for further information with respect to reductions in assessed value within the Project Area in the last ten fiscal years.

Propositions 218 and 26

On November 5, 1996, State voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIII C of the State Constitution by adding an expansive definition for the term "tax," which previously was not defined under the State Constitution. Pledged Tax Revenues securing the 2020 Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D to the State Constitution and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting Agency revenues or the Agency's ability to expend revenues.

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA

The Former Agency was established by the City Council of the City and was activated by Ordinance adopted by the City Council on February 1, 2002, pursuant to the Redevelopment Law. On June 29, 2011, AB X1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB X1 27. A lawsuit entitled California Redevelopment Association, et al. v. Matosantos, et al., was brought in the State Supreme Court challenging the constitutionality of AB X1 26 and AB X1 27. In a published decision (53 Cal. 4th 231 (Dec. 29, 2011)), the State Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the State Supreme Court, as of February 1, 2012, all redevelopment agencies in the State, including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

Pursuant to Section 34173 of the Dissolution Act, the City Council of the City serves as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Agency is a separate public entity from the City, that the two entities shall not merge and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

The Agency is governed by the five-member legislative body (the "Board") which consists of the City Council of the City. The Mayor acts as the Chair of the Board, the City Manager as its Executive Director, the City Clerk as its Secretary and the Finance Director of the City as its Treasurer.

Agency Powers

All powers of the Agency are vested in the Board. Pursuant to the Dissolution Act, the Agency is a separate public body from the City and successor to the organizational status of the Former Agency, but without any legal authority to participate in redevelopment activities except to complete any work related to an approved enforceable obligation. The Agency is tasked with expeditiously winding down the affairs of the Former Agency pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Agency actions are subject to approval by the Oversight Board, as well as review by the DOF. The State has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Board and Oversight Board meetings open to the public in a similar manner as City Council meetings.

Previously, Section 33675 of the Redevelopment Law required the Former Agency to file not later than the first day of October of each year with the County Auditor a statement of indebtedness certified by the chief fiscal officer of the Former Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plan). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Former Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor-Controller to the Former Agency could not exceed the amounts shown on the Former Agency's statement of indebtedness. The Dissolution Act eliminates this requirement and provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and that, commencing on such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law. See the caption "SECURITY FOR THE 2020 BONDS—Recognized Obligation Payment Schedule."

THE PROJECT AREA

Under the Law, a city or county that activated a redevelopment agency was required to adopt, by ordinance, a redevelopment plan for each redevelopment project to be undertaken by the redevelopment agency. A redevelopment agency could only undertake those activities within a redevelopment project specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law, rather than a "plan" in the customary sense of the word. Each redevelopment plan originally included separate time and financial limitations applicable to each Project Area. SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the applicable redevelopment plan are not effective for purposes of paying the Agency's enforceable obligations. Accordingly, the projections set forth in this Official Statement and in the Fiscal Consultant's Report attached to this Official Statement as Appendix A were prepared without regard to the time and financial limitations set forth in the Redevelopment Plan for the Project Area. Also, the County Auditor-Controller will only deposit revenues into the RPTTF after a Project Area reaches a plan limit set forth in the redevelopment plan if and to the extent the Agency provides evidence that the revenues are needed to pay enforceable obligations. See "RISK FACTORS—Effect of Redevelopment Plan Limits." See below under this caption for additional information regarding the Project Area, including information on land use, property ownership, assessed valuation and Pledged Tax Revenues generated within the Project Area. See "SECURITY FOR THE 2020 BONDS—Pledged Tax Revenues."

General

The Project Area exists pursuant to the Redevelopment Plan (the “Redevelopment Plan”), which has been amended once. A brief description of the location and land uses within the Project Area is set forth below.

The County originally adopted the Redevelopment Plan on June 16, 1998 by County Ordinance No. 4326. The Redevelopment Plan was administered as part of the County’s unincorporated territory until the City Council assumed control of redevelopment activities for the Project Area under the Redevelopment Plan after the City incorporated in 2002. The City of Goleta activated the Former Agency on February 1, 2002 by Ordinance No. 02-08 and assumed control of the Redevelopment Plan for the Project Area on April 15, 2002 by Ordinance No. 02-19. The Redevelopment Plan was amended once, by Ordinance No. 07-05, adopted May 21, 2007, to extend the limitations on effectiveness and receipt of tax increment by one year. The Redevelopment Plan enables the Agency to collect tax increment to implement and finance revitalization projects in the 595-acre Project Area, which is approximately 8.5% of the total area of the City.

The Project Area includes retail, industrial, and residential uses. It is located in the southeast portion of the City, south of U.S. Highway 101. The Project Area’s retail base is generally along Hollister Avenue between Fairview Avenue and Highway 217 and the Project Area also contains the Goleta Old Town Heritage District.

Plan Limits

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency’s enforceable obligations. The projections set forth in this Official Statement and in the Fiscal Consultant’s Report attached to this Official Statement as Appendix A continue to reflect the impact of these plan limits on the revenues projected to be available to pay debt service on the 2020 Bonds and Parity Bonds; actual Pledged Tax Revenues, to the extent needed for payment of debt service on the 2020 Bonds and Existing Parity Bonds, will likely not be limited by such plan limits. See the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.” The following table summarizes the time and financial limits set forth in the Redevelopment Plan.

REDEVELOPMENT PLAN LIMITATION DATES AND AMOUNTS

<i>Last Date to Incur Indebtedness</i>	<i>Plan Effectiveness</i>	<i>Debt Repayment</i>	<i>Cumulative Tax Increment⁽¹⁾</i>	<i>Outstanding Bond Debt⁽²⁾</i>
June 16, 2018	June 16, 2029	June 16, 2044	\$363,339,006	\$45,956,884

⁽¹⁾ The Former Agency and Agency have received approximately \$60.6 million (combined) to date of tax revenues that would apply to the cumulative tax increment cap amount. In order to reach the cumulative tax increment cap amount prior to the final term date of the 2020 Bonds, annual assessed valuation growth would have to exceed an average of 2.5% per year.

⁽²⁾ The Agency currently has \$14,355,000 (principal amount) of tax allocation bond debt outstanding, all of which will be refunded upon issuance of the 2020 Bonds.

Assessed Valuation

As discussed under the caption “SECURITY FOR THE BONDS—Tax Increment Financing,” the 2020 Bonds are secured by Pledged Tax Revenues from the Project Area.

A breakdown of the reported taxable valuations, incremental assessed values, and Pledged Tax Revenues in the Project Area for the current Fiscal Year and the past four Fiscal Years are set forth in the below table:

Table 1
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Historical Taxable Values and Pledged Tax Revenues

	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>
Total Secured Valuation	\$ 940,818,394	\$ 988,192,310	\$ 1,063,067,059	\$ 1,149,148,892	\$ 1,240,616,864
Total Unsecured	<u>178,923,589</u>	<u>176,408,664</u>	<u>153,316,878</u>	<u>156,371,157</u>	<u>153,940,059</u>
Total Assessed Value	\$ 1,119,741,983	\$ 1,164,600,974	\$ 1,216,383,937	\$ 1,305,520,049	\$ 1,394,556,923
Incremental Valuation	\$ 454,088,688	\$ 498,947,679	\$ 550,730,642	\$ 639,866,754	\$ 728,903,628
Pledged Tax Revenues ⁽¹⁾	\$ 4,586,123	\$ 5,172,096	\$ 6,118,544	\$ 6,701,049	\$ 7,289,036
Less: County Admin. Fees ⁽²⁾	71,701	87,157	87,787	120,747	131,203
Less: Statutory Pass-Through ⁽²⁾	1,180,136	1,372,163	1,647,604	1,913,290	2,135,368
Less: Prior Agreement ⁽²⁾	<u>303,651</u>	<u>309,724</u>	<u>315,919</u>	<u>322,237</u>	<u>328,682</u>
Net Pledged Tax Revenues⁽²⁾	\$ 3,030,635	\$ 3,403,052	\$ 4,067,234	\$ 4,344,775	\$ 4,693,784

⁽¹⁾ Includes supplemental revenues. Fiscal Year 2019-20 amounts are estimated based on an assumed 1.00% tax rate on actual incremental valuation, with no assumed supplemental revenues.

⁽²⁾ Fiscal Year 2019-20 amounts are estimated.

Source: Urban Futures, Inc.

Largest Taxpayers

The top ten taxpayers for the Project Area in the current Fiscal Year are set forth in the below table.

Table 2
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Top Ten Taxpayers (Fiscal Year 2019-20)

<i>Name</i>	<i>2019-20 Assessed Valuation</i>	<i>Primary Land Use</i>	<i>Percent of Secured Value⁽¹⁾</i>	<i>Percent of Incremental Value⁽²⁾</i>
1. Sumida Family Limited Partnership	\$ 51,995,069	Multi-Family Residential	4.19%	7.13%
2. Hollister Hotels LLC	44,270,499	Commercial	3.57	6.07
3. Raytheon Company	43,779,630	Industrial	3.53	6.01
4. Innovative Micro Technology Inc ⁽³⁾	33,412,010	Industrial	2.69	4.58
5. Torridon LLC	33,007,375	Commercial	2.66	4.53
6. Summit Hospitality 26, LLC	30,901,194	Commercial	2.49	4.24
7. City Ventures Homebuilding LLC	30,727,714	Vacant Land	2.48	4.22
8. Goleta Valley Professional Buildings Inc	26,385,422	Commercial	2.13	3.62
9. Fairview Business Center LP	21,460,946	Commercial	1.73	2.94
10. Lt Mentor Drive LLC	19,750,000	Commercial	1.59	2.71
Total	\$ 335,689,859		27.06%	46.05%

⁽¹⁾ Based on Fiscal Year 2019-20 secured assessed valuation of \$1,240,616,864.

⁽²⁾ Based on Fiscal Year 2019-20 incremental valuation of \$728,903,628.

⁽³⁾ Currently has assessment appeal on file.

Source: Urban Futures, Inc. with information from the Santa Barbara County 2019-20 Secured Property Tax Roll.

Additional information on the top three largest taxpayers can be found below.

Sumida Gardens Limited Partnership. Sumida Gardens L.P. owns one parcel located at 100 Sumida Gardens Lane (APN 071330012). The property is occupied by a 200-unit multifamily residential development, includes 34 apartments reserved for low- and very low-income households, which is the subject of the Prior Agreement. The parcel was purchased from the Sumida Family Limited Partnership in 2002. The project was completed in August 2009 and became fully reassessed on the 2010-11 assessment roll at a value of \$55,990,553. The property owner filed an assessment appeal requesting that the base year value be reduced to \$41 million, and the appeal was successfully resolved with a value of \$43,473,946 for the 2009-10 Fiscal Year.

Hollister Hotels LLC. Hollister Hotels LLC owns property located at 6350 Hollister Avenue (APN 073050048). The 3.81-acre property was developed with a 118-room Marriott Residence Inn Santa Barbara Goleta, which opened in December of 2017. The site was previously vacant. The assessed valuation has increased from \$2,404,702 for the 2016-17 Fiscal Year to \$44,270,499 for the 2019-20 Fiscal Year.

Raytheon Company. Raytheon Company, a major U.S. defense contractor and industrial corporation, owns an industrial research park located at 6380 Hollister Avenue (APN 073050027). The Raytheon Company appealed its personal property assessed values in 2009, but the appeal was withdrawn. [There have been no other appeals within the last five years.] The parcel was last transferred on December 5, 1980.

Land Use

The following table illustrates the land use of property in the Project Area.

Table 3
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Land Use Statistics (Fiscal Year 2019-20)⁽¹⁾

<i>Land Use</i>	<i>No. of Parcels</i>	<i>Secured Assessed Valuation</i>	<i>Percent of Secured Assessed Valuation⁽²⁾</i>
Commercial	212	\$ 435,734,466	35.12%
Industrial	150	380,472,104	30.67
Single Family Residential	860	255,729,136	20.61
Multi-Family Residential	106	134,400,228	10.83
Vacant Land	152	31,135,031	2.51
Governmental/Institutional/Other	44	2,202,280	0.18
Recreational	<u>5</u>	<u>943,619</u>	<u>0.08</u>
Total All Secured	1,529	\$1,240,616,864	100.00%

(1) Totals may not add due to rounding.

(2) Based on Fiscal Year 2019-20 secured assessed valuation of \$1,240,616,864.

Source: Urban Futures, Inc. with information from the Santa Barbara County 2019-20 Secured Property Tax Roll.

Assessment Appeals

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the County Assessor following a change in ownership or completion of new construction. If the base year value assigned by the County Assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value.

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the property owner. A property owner can file for a regular assessment appeal with the County between July 2 and November 30. Revenue and Taxation Code Section 1604 allows up to two years for an assessment appeal to be decided. Two of the top ten taxpayers within the Project Area have filed assessment appeals that are currently pending. Additional appeals to assessed values in the Project Area may be filed from time to time in the future. The Agency cannot predict the extent of these appeals or their likelihood of success.

The Fiscal Consultant researched the status of assessment appeals filed by property owners in the Project Area based upon the latest information available from the County Appeals Board database from January 1, 2014 through December 11, 2019. The Fiscal Consultant's estimates are based upon the historical averages of successful appeals and amounts of value reductions. Actual appeals, reductions and refunds may vary from historical averages. The Fiscal Consultant's estimated reductions in values are not reflected in its projections of Pledged Tax Revenues, as the results of pending appeals are uncertain.

The following table, showing appeal data for the period of January 1, 2014 through December 11, 2019, summarizes the potential losses from pending assessment appeals within the Project Area.

Table 4
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Assessed Valuation Appeals (January 1, 2014 through December 11, 2019)

<i>No. of Appeals Filed</i>	<i>No. of Successful Appeals</i>	<i>Assessed Value of Property</i>	<i>Owner's Opinion of Value</i>	<i>Total Requested Assessed Value Reduction</i>	<i>Reduction Allowed by Board</i>	<i>Allowed Reductions as % of Requested</i>
29	1	\$138,784,386	\$90,057,269	\$48,727,117	\$247,326	0.51%

Outstanding Assessment Appeals

<i>Roll Year Appealed</i>	<i>No. of Appeals Filed</i>	<i>Assessed Value of Property</i>	<i>Owner's Opinion of Value</i>	<i>Potential Loss of Assessed Value</i>	<i>Historical Success Rate</i>	<i>Est. Reduction (based on historical success)</i>
2019	1	\$ 27,000,000	\$ 10,000,000	\$ 17,000,000	0.51%	\$ 86,288

Source: Urban Futures, Inc. with data obtained from Santa Barbara County.

New Development

[According to the Agency, several new developments are in progress, or are anticipated to begin in the near future, within the Project Area. Such new developments are expected to increase assessed valuations within Project Area. However, the projections of Pledged Tax Revenues in the Fiscal Consultant Report and this Official Statement do not reflect any increases in assessed valuations relating to development within the Project Area that is in progress or anticipated to begin in the near future.]

PLEDGED TAX REVENUES

Pledged Tax Revenues are to be deposited in the Redevelopment Obligation Retirement Fund, and thereafter and after transfers have been made by the Agency to the Debt Service Fund, administered by the Trustee and applied to the payment of the principal of and interest on the 2020 Bonds.

Projected Pledged Tax Revenues

The Agency retained the Fiscal Consultant to provide projections of taxable valuation and Pledged Tax Revenues from developments in the Project Area. The Agency believes that the assumptions (set forth in the footnotes below and in Appendix A) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. See the caption "RISK FACTORS." Therefore, the actual Pledged Tax Revenues received during the forecast period may vary from the projections and the variations may be material. A summary of the projected total taxable valuation and Pledged Tax Revenues for the Project Area is set forth in the following tables. The projections set forth in Table 5 assume no growth in assessed value. The projections set forth in Table 6 assume assessed value growth at 2% in Fiscal Year 2020-21 and thereafter.

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency's enforceable obligations. The projections set forth in this Official

Statement and in the Fiscal Consultant's Report attached to this Official Statement as Appendix A continue to reflect the impact of these plan limits on the revenues projected to be available to pay debt service on the 2020 Bonds; actual Pledged Tax Revenues, to the extent needed for payment of debt service on the 2020 Bonds and any Parity Debt, will likely not be limited by such plan limits.

A summary of the projected total taxable valuation and Pledged Tax Revenues for the Project Area assuming 0% annual growth is set forth in the below table:

Table 5
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Projected Pledged Tax Revenues—Assumes No Value Growth

<i>Fiscal Year Ending June 30</i>	<i>Assessed Valuation⁽¹⁾</i>	<i>Pledged Tax Revenues⁽²⁾</i>	<i>County Admin. Charges⁽³⁾</i>	<i>Statutory Pass-Through Amounts⁽⁴⁾</i>	<i>Prior Agreement Payments⁽⁵⁾</i>	<i>Net Pledged Tax Revenues⁽⁶⁾</i>
2020	\$1,394,556,923	\$7,289,036	\$(131,203)	\$(2,135,368)	\$(328,682)	\$4,693,784
2021	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(328,682)	4,693,784
2022	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(328,682)	4,693,784
2023	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(328,682)	4,693,784
2024	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(328,682)	4,693,784
2025	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(328,682)	4,693,784
2026	1,394,556,923	7,289,036	(131,203)	(2,135,368)	(1,279,612)	3,742,854
2027	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2028	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2029	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2030	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2031	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2032	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2033	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2034	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2035	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2036	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2037	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2038	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2039	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2040	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2041	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2042	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466
2043	1,394,556,923	7,289,036	(131,203)	(2,135,368)		5,022,466

⁽¹⁾ Based on Fiscal Year 2019-20 taxable value. Assessed Valuation includes secured assessed value and unsecured assessed value. Assumes taxable valuation (total assessed value) does not increase after fiscal year 2019-20. Does not take into account the potential result of any pending or future assessed valuation appeal or adjustment.

⁽²⁾ Based on 1% of incremental valuation (which is Assessed Valuation less base year valuation of \$665,653,295). See the caption "SECURITY FOR THE 2020 BONDS—General."

⁽³⁾ County Administrative Charges projected at 1.80% of Tax Increment Revenues, based on actual Fiscal Year 2018-19 amount. See the caption "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*."

⁽⁴⁾ Includes payments of Statutory Pass-Through Amounts. See the caption "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*" and "—Statutory Pass-Through Amounts."

⁽⁵⁾ Estimated payment obligations pursuant to the Prior Agreement. See the captions "SECURITY FOR THE 2020 BONDS—Prior Agreement."

⁽⁶⁾ Pledged Tax Revenues available for debt service payments on the 2020 Bonds.

Source: Urban Futures, Inc.

A summary of the projected total taxable valuation and Pledged Tax Revenues for the Project Area assuming 2% annual growth is set forth in the below table:

Table 6
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Projected Pledged Tax Revenues—Assumes Value Growth

<i>Fiscal Year Ending June 30</i>	<i>Assessed Valuation⁽¹⁾</i>	<i>Pledged Tax Revenues⁽²⁾</i>	<i>County Admin. Charges⁽³⁾</i>	<i>Statutory Pass-Through Amounts⁽⁴⁾</i>	<i>Prior Agreement Payments⁽⁵⁾</i>	<i>Net Pledged Tax Revenues⁽⁶⁾</i>
2020	\$1,394,556,923	\$7,289,036	\$(131,203)	\$(2,135,368)	\$(328,682)	\$4,693,784
2021	1,422,448,061	7,567,948	(136,223)	(2,234,961)	(335,256)	4,861,507
2022	1,450,897,023	7,852,437	(141,344)	(2,336,547)	(341,961)	5,032,586
2023	1,479,914,963	8,142,617	(146,567)	(2,440,164)	(348,800)	5,207,086
2024	1,509,513,262	8,438,600	(151,895)	(2,545,854)	(355,776)	5,385,075
2025	1,539,703,528	8,740,502	(157,329)	(2,653,657)	(362,892)	5,566,624
2026	1,570,497,598	9,048,443	(162,872)	(2,763,616)	(1,177,125)	4,944,830
2027	1,601,907,550	9,362,543	(168,526)	(2,875,775)		6,318,242
2028	1,633,945,701	9,682,924	(174,293)	(2,990,177)		6,518,454
2029	1,666,624,615	10,009,713	(180,175)	(3,106,867)		6,722,672
2030	1,699,957,108	10,343,038	(186,175)	(3,260,796)		6,896,067
2031	1,733,956,250	10,683,030	(192,295)	(3,417,804)		7,072,931
2032	1,768,635,375	11,029,821	(198,537)	(3,577,953)		7,253,332
2033	1,804,008,082	11,383,548	(204,904)	(3,741,304)		7,437,340
2034	1,840,088,244	11,744,349	(211,398)	(3,907,922)		7,625,029
2035	1,876,890,009	12,112,367	(218,023)	(4,077,872)		7,816,472
2036	1,914,427,809	12,487,745	(224,779)	(4,251,222)		8,011,744
2037	1,952,716,365	12,870,631	(231,671)	(4,428,039)		8,210,921
2038	1,991,770,692	13,261,174	(238,701)	(4,608,391)		8,414,081
2039	2,031,606,106	13,659,528	(245,872)	(4,792,351)		8,621,305
2040	2,072,238,228	14,065,849	(253,185)	(4,979,990)		8,832,674
2041	2,113,682,993	14,480,297	(260,645)	(5,171,382)		9,048,269
2042	2,155,956,653	14,903,034	(268,255)	(5,366,602)		9,268,177
2043	2,199,075,786	15,334,225	(276,016)	(5,565,726)		9,492,483

⁽¹⁾ Based on Fiscal Year 2019-20 taxable value. Assessed Valuation includes secured assessed value and unsecured assessed value. Assumes Assessed Value increases by 2% per year starting in Fiscal Year 2020-21. Does not take into account the potential result of any pending or future assessed valuation appeal or adjustment.

⁽²⁾ Based on 1% of incremental valuation (which is Assessed Valuation less base year valuation of \$665,653,295).

⁽³⁾ County Administrative Charges projected at 1.80% of Tax Increment Revenues, based on actual Fiscal Year 2018-19 amount. See the caption "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Property Tax Administrative Costs."

⁽⁴⁾ Includes payments of Statutory Pass-Through Amounts. See the caption "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—Tax Sharing" and "—Statutory Pass-Through Amounts."

⁽⁵⁾ Estimated payment obligations pursuant to the Prior Agreement. See the captions "SECURITY FOR THE 2020 BONDS—Prior Agreement."

⁽⁶⁾ Pledged Tax Revenues available for debt service payments on the 2020 Bonds.

Source: Urban Futures, Inc.

Debt Service Coverage

Set forth below is the estimated debt service coverage for the 2020 Bonds using Fiscal Year 2019-20 Pledged Tax Revenues assuming no value growth in tax increment revenues.

Table 7
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Estimated Debt Service Coverage—Assumes No Value Growth

<i>Year Ending June 30</i>	<i>Net Pledged Tax Revenues</i>	<i>2020 Bonds*</i>	<i>Debt Service Coverage^{(1)*}</i>
2021	\$4,693,784	\$859,800	5.46x
2022	4,693,784	856,600	5.48
2023	4,693,784	863,000	5.44
2024	4,693,784	858,600	5.47
2025	4,693,784	858,800	5.47
2026	3,742,854	858,400	4.36
2027	5,022,466	862,400	5.82
2028	5,022,466	861,400	5.83
2029	5,022,466	853,800	5.88
2030	5,022,466	855,800	5.87
2031	5,022,466	857,000	5.86
2032	5,022,466	857,400	5.86
2033	5,022,466	857,000	5.86
2034	5,022,466	855,800	5.87
2035	5,022,466	863,300	5.82
2036	5,022,466	854,900	5.87
2037	5,022,466	855,900	5.87
2038	5,022,466	860,900	5.83
2039	5,022,466	859,700	5.84
2040	5,022,466	862,500	5.82
2041	5,022,466	857,000	5.86
2042	5,022,466	860,000	5.84
2043	5,022,466	861,000	5.83

⁽¹⁾ Debt service on the 2020 Bonds for the Bond Year that begins in the applicable Fiscal Year.

* Preliminary, subject to change.

Source: Urban Futures, Inc.; Underwriter.

Set forth below is the estimated debt service coverage for the 2020 Bonds using Fiscal Year 2019-20 Pledged Tax Revenues assuming approximately 2% growth in tax increment revenues thereafter.

Table 8
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Estimated Debt Service Coverage—Assumes Value Growth

<i>Year Ending June 30</i>	<i>Net Pledged Tax Revenues</i>	<i>2020 Bonds*</i>	<i>Debt Service Coverage^{(1)*}</i>
2021	\$4,861,507	\$859,800	5.65x
2022	5,032,586	856,600	5.88
2023	5,207,086	863,000	6.03
2024	5,385,075	858,600	6.27
2025	5,566,624	858,800	6.48
2026	4,944,830	858,400	5.76
2027	6,318,242	862,400	7.33
2028	6,518,454	861,400	7.57
2029	6,722,672	853,800	7.87
2030	6,896,067	855,800	8.06
2031	7,072,931	857,000	8.25
2032	7,253,332	857,400	8.46
2033	7,437,340	857,000	8.68
2034	7,625,029	855,800	8.91
2035	7,816,472	863,300	9.05
2036	8,011,744	854,900	9.37
2037	8,210,921	855,900	9.59
2038	8,414,081	860,900	9.77
2039	8,621,305	859,700	10.03
2040	8,832,674	862,500	10.24
2041	9,048,269	857,000	10.56
2042	9,268,177	860,000	10.78
2043	9,492,483	861,000	11.02

⁽¹⁾ Debt service on the 2020 Bonds for the Bond Year that begins in the applicable Fiscal Year.

* Preliminary, subject to change.

Source: Urban Futures, Inc.; Underwriter

Projected RPTTF Distributions

The estimated distributions of moneys from the Agency's Redevelopment Property Tax Trust Fund for June 1, 2020, January 2, 2022 and June 1, 2021 are set forth in Table 9 below.

Table 9
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
Estimated RPTTF Distributions
(June 1, 2020 to June 1, 2021)

<i>Fiscal Year</i>	<i>June 1, 2020</i>	<i>January 2, 2021</i>	<i>June 1, 2021</i>
Gross Tax Revenues (Based on Fiscal Year)			
Tax Increment	\$ 3,549,760	\$ 3,882,357	\$ 3,685,591
Unitary Revenue	--	--	--
Total Gross Tax Revenues	<u>\$ 3,549,760</u>	<u>\$ 3,882,357</u>	<u>\$ 3,685,591</u>
Deductions			
Property Tax Administrative Fee	\$ 129,719	\$ 1,514	\$ 134,709
Statutory Pass-Through Amounts	<u>1,048,466</u>	<u>1,137,595</u>	<u>1,097,366</u>
Total Deductions	<u>\$ 1,178,185</u>	<u>\$ 1,139,109</u>	<u>\$ 1,232,075</u>
Pledged Tax Revenues Available for the Prior Agreement and 2020 Bonds	\$ 2,371,575	\$ 2,743,248	\$ 2,453,516
Prior Agreement Payments	--	\$ 335,256	--
2020 Bonds*	<u>534,638</u>	<u>264,900</u>	<u>594,900</u>
Remaining for Subordinate Obligations*	\$ 1,836,937	\$ 2,478,348	\$ 1,858,616

* Preliminary, subject to change.

Source: Urban Futures, Inc.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2020 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2020 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Reduction in Taxable Value

Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Agency's control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Pledged Tax Revenues that provide for the repayment of and secure the 2020 Bonds. Such reduction in Pledged Tax Revenues could have an adverse effect on the Agency's ability to make timely payments of principal of and interest on the 2020 Bonds.

As described in greater detail under the caption "PROPERTY TAXATION IN CALIFORNIA—Article XIII A of the State Constitution," Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction

or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2020 Bonds could reduce Pledged Tax Revenues securing the 2020 Bonds.

In addition to the other limitations on and required application under the Dissolution Act of Pledged Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, as described in this Official Statement, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Pledged Tax Revenues and adversely affect the source of repayment and security of the 2020 Bonds.

Concentration of Ownership

The ten largest property taxpayers in the Project Area, based upon the Fiscal Year 2019-20 locally assessed tax roll reported by the County Assessor, owned approximately 27.06% of the total Project Area value and approximately 46.05% of the total incremental assessed value within the Project Area. See the Fiscal Consultant's Report attached to this Official Statement as Appendix A. Concentration of ownership presents a risk in that if one or more of the largest property owners were to default on their taxes, or were to successfully appeal the tax assessments on property within the Project Area, a substantial decline in Pledged Tax Revenues could result. See the caption "THE PROJECT AREA—Largest Taxpayers" for more information about these ten largest property taxpayers and see "THE PROJECT AREA—Assessment Appeals" for information as to pending appeals of tax assessments.

Risks to Real Estate Market

The Agency's ability to make payments on the 2020 Bonds is dependent upon the economic strength of the Project Area. The general economy of the Project Area is subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs, the supply of or demand for competitive properties in such area, the market value of property in the event of sale or foreclosure and other similar factors. Furthermore, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development, changes in real estate tax rates and other operating expenses, zoning laws and laws relating to threatened and endangered species and hazardous materials and fiscal policies, as well as natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses. In addition, if there is a decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Pledged Tax Revenues by the Agency from the Project Area.

Because assessed values do not necessarily indicate fair market values, the declines in fair market values in recent years may have been even greater than the declines in assessed valuations, although it is also possible that market values could be greater than assessed valuations at any given time. No assurance can be given that the individual parcel owners will pay property taxes in the future or that they will be able to pay such taxes on a timely basis. See the caption "—Bankruptcy and Foreclosure" for a discussion of certain limitations on the City's ability to pursue judicial proceedings with respect to delinquent parcels.

Reduction in Inflation Rate

As described in greater detail above, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the rate of inflation, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The Agency is unable to predict if any adjustments to the full cash value of real property within the Project Area, whether an increase or a reduction, will be realized in the future. See “PROPERTY TAXATION IN CALIFORNIA—Article XIII A of the State Constitution.”

Effect of Redevelopment Plan Limits

Prior to the enactment of SB 107, the Agency’s Project Area was subject to various limitations on the amount of and time within which tax increment could be received by the Agency. Such limitations are referred to as “Plan Limits.” Due to the passage of SB 107, such plan limitations are no longer in effect. [Revenues in excess of such plan limits are not deposited into the RPTTF and are not reflected in the projections of Pledged Tax Revenues set forth in Tables 5 and 6 and the Fiscal Consultant’s Report attached as Appendix A. The County Auditor-Controller will only deposit revenues into the RPTTF for Project Area that reach their Plan Limits in the future if the Agency demonstrates that such revenues are needed to pay the Agency’s enforceable obligations. The Agency does not expect this to affect the availability of Pledged Tax Revenues to pay debt service on the 2020 Bonds.] See the caption “THE PROJECT AREA—Plan Limits.”

Levy and Collection of Taxes

The Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Agency to repay the 2020 Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Agency’s ability to make timely payments on the 2020 Bonds. [As discussed under the caption “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Delinquencies*,” the County has adopted a Teeter Plan. Accordingly, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each redevelopment successor agency in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the Agency receives no adjustments for redemption payments on delinquent collections. The Agency does receive supplemental taxes and refunds, if any, are deducted from amounts available for deposit to the Redevelopment Property Tax Trust Fund. There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.]

State Budget Issues

General. AB X1 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State’s budget acts for its fiscal years 2011-12 and 2012-13, respectively, and constituted efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets which were previously held by redevelopment agencies to cities, counties and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (then projected savings of \$1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions

relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including RPTTF Revenues.

SB 107, which made extensive amendments to the Dissolution Act, was enacted following the adoption of the State fiscal year 2015-16 budget, after having initially been presented as AB 113, a trailer bill to the State fiscal year 2015-16 budget. SB 107 changed the process for submitting Recognized Obligation Payment Schedules from a six-month to an annual process, authorized successor agencies to submit and obtain DOF approval of a Last and Final ROPS to govern all remaining payment obligations of successor agencies, altered the provisions governing the distribution of Redevelopment Property Tax Trust Fund moneys attributable to pension and State Water Project tax rate overrides and eliminated the impact of financial and time limitations in redevelopment plans for purposes of paying enforceable obligations, among other changes to the Dissolution Act. These statutory amendments impact the manner in which successor agencies claim Redevelopment Property Tax Trust Fund moneys for enforceable obligations and, for some successor agencies, impact the amount of Redevelopment Property Tax Trust Fund moneys that will be available for payment of a successor agency's enforceable obligations.

The following information concerning the State's budget for State fiscal year 2018-19 and State fiscal year 2019-20 has been obtained from publicly available information that the Agency believes to be reliable; however, the City and the Underwriter take no responsibility for the accuracy or completeness thereof and have not independently verified such information. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the DOF, <http://www.dof.ca.gov>, under the heading "California Budget." An impartial analysis of the budget is posted by the Legislative Analyst's Office (the "LAO") at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the City, the Agency or the Underwriter, and the City, the Agency and the Underwriter take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted thereon, and such information is not incorporated herein by these references.

2019-20 Budget. On June 27, 2019 the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of \$138 billion and total expenditures of \$142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$20.7 billion, including \$5.4 billion in the traditional general fund reserve, \$14.4 billion in the BSA and \$900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of \$143.8 billion and authorizes expenditures of \$147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.8 billion, including \$1.4 billion in the traditional general fund reserve, \$16.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund.

For additional information regarding the 2019-20 Budget, see the DOF's website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov.

Certain litigation which challenges some of the terms of the Dissolution Act is currently ongoing (as described under the caption "—Challenges to Dissolution Act"), and it is anticipated that there will be additional future legislation in this area. The Agency cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

None of the websites or webpages that are referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. Neither the Agency nor the Underwriter makes any representation whatsoever as to the accuracy or completeness of any of the information on such websites.

There can be no assurance that additional legislation will not be enacted in the future to implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues.

Recognized Obligation Payment Schedule

The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid thereunder, only those obligations listed in the Recognized Obligation Payment Schedule may be paid by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each February 1, with respect to the following fiscal year, the Dissolution Act requires successor agencies to prepare and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as described under the caption "SECURITY FOR THE 2020 BONDS—Recognized Obligation Payment Schedule") of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the June 1 property tax distribution date. See the caption "SECURITY FOR THE 2020 BONDS—Recognized Obligation Payment Schedule" and "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Recognized Obligation Payment Schedule." In the event that the Agency fails to file a Recognized Obligation Payment Schedule with respect to a fiscal year, the availability of Pledged Tax Revenues to the Agency could be adversely affected for such period.

In the event that a successor agency fails to submit to the DOF an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) below, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the DOF to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any moneys in the Redevelopment Property Tax Trust Fund in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the DOF.

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, the county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act:

(i) First, to each local agency and school entity, to the extent applicable, amounts required for pass-through payments that such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Statutory Pass-Through Amounts. Pension or State Water Project override revenues that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override;

(ii) Second, to the Agency for payments listed in its Recognized Obligation Payment Schedule;

(iii) Third, to the Agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) Fourth, the remainder is distributed to the taxing entities in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in such fiscal year (without adjustment for pass-through obligations).

If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the DOF does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such fiscal year would be distributed to taxing entities pursuant to clause (iv) above.

Additionally, regardless of whether Redevelopment Property Tax Trust Fund moneys are sufficient to pay all pass-through amounts and enforceable obligations, the County Auditor-Controller will disburse moneys to taxing agencies for pass-through payments prior to disbursing any moneys to the Agency for debt service on the 2020 Bonds or other enforceable obligations. The Agency has not taken any action to subordinate the Statutory Pass-Through Amounts to the 2020 Bonds and therefore the Statutory Pass-Through Amounts are senior to debt service on the 2020 Bonds. See the caption "SECURITY FOR THE 2020 BONDS—Tax Increment Financing—*Tax Sharing*," and "—Statutory Pass-Through Amounts."

The Agency covenants in the Indenture that it will comply with all of the requirements of the Redevelopment Law and the Dissolution Act, including without limitation to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture.

Further, the Agency covenants in the Indenture to take all actions required under the Dissolution Act to include: (i) scheduled debt service on the 2020 Bonds and any Parity Debt and any amount required under the Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, (ii) amounts due to any Insurer under the Indenture or under an insurance or surety bond agreement and (iii) amounts due under the Prior Agreement in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency to pay principal of, and interest on, the 2020 Bonds coming due in the respective ROPS Period to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to ensure the timely payment of debt service on the 2020 Bonds, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Agency will submit an Oversight Board-approved Recognized Obligation Payment Schedule to DOF and to the County Auditor-Controller that will include, from the first Pledged Tax Revenues distributed to the Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to payments for County administrative expenses and to certain taxing entities and subject to payments under the Prior Agreement, as provided in the Indenture): (i) all debt service due on all Outstanding 2020 Bonds and Parity Debt coming due during such Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the 2020 Insurer or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2020 Insurer or to any other Insurer). The Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest

coming due during the applicable Bond Year from the RPTTF moneys to be distributed to the Successor Agency on the January 2 RPTTF distribution date during such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the RPTTF on June 1 during such Bond Year. See Appendix B.

The Dissolution Act also imposes certain penalties in the event that the Agency does not timely submit a Recognized Obligation Payment Schedule for each fiscal year. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the DOF and the State Controller by February 1 in each year with respect to the following Fiscal Year. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day that the schedule is not submitted. Additionally, the Agency's administrative cost allowance will be reduced by 25% for any fiscal year for which the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline. If the Agency fails to submit a Recognized Obligation Payment Schedule by the February 1 deadline, any creditor of the Agency or DOF or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the Agency to immediately perform this duty.

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit certain successor agencies with limited remaining obligations to submit a Last and Final ROPS for approval by the oversight board and DOF. The Last and Final ROPS must list the remaining enforceable obligations of the successor agency, including the total outstanding obligation amount and a schedule of remaining payments for each enforceable obligation. The Last and Final ROPS shall also establish the maximum amount of Redevelopment Property Tax Trust Funds to be distributed to the successor agency for each remaining fiscal year until all obligations have been fully paid.

Any revenues, interest, and earnings of the successor agency, including proceeds from the disposition of real property, that are not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the county auditor-controller for distribution to the affected taxing entities. A successor agency shall not expend more than the amount approved for each enforceable obligation listed on the approved Last and Final ROPS and once the successor agency has received Redevelopment Property Tax Trust Fund moneys equal to the amount of the total outstanding obligations approved in the Last and Final ROPS, the county auditor-controller will not allocate further Redevelopment Property Tax Trust Fund moneys to the successor agency.

Successor agencies may only amend an approved Last and Final ROPS twice. If the Agency prepares and obtains DOF approval of a Last and Final ROPS and subsequently amends the Last and Final ROPS two times, the Agency may be unable to make unexpected or unscheduled reserve deposits or payments due to the Insurers of Bonds or other Parity Debt.

See the caption "SECURITY FOR THE 2020 BONDS—Last and Final Recognized Obligation Payment Schedule" for a discussion of the requirements for a Last and Final ROPS and the mechanics for allocation of Redevelopment Property Tax Trust Fund moneys pursuant to an approved Last and Final ROPS.

The Agency does not currently intend to file a Last and Final ROPS. [Further, the Agency has covenanted in the Indenture not to submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS without the prior written consent of the 2020 Insurer unless all amounts that could become due to the 2020 Insurer are included as a line item on the Last and Final ROPS, as amended.]

Parity Debt Issued Without Reserve

The Indenture permits the issuance of Parity Debt, subject to compliance with certain requirements. See the caption “SECURITY FOR THE 2020 BONDS—Issuance of Additional Indebtedness.” The Agency is not required to (but is permitted to) maintain a reserve account for such Parity Debt. In the event Pledged Tax Revenues are insufficient to pay debt service on all Bonds and Parity Debt, the likelihood of a default by the Agency with respect to Parity Debt issued without a reserve account would be higher than the likelihood of default by the Agency on the 2020 Bonds or Parity Debt issued with a reserve account, because moneys held in the Reserve Account or the reserve account maintained for such Parity Debt would only be available to make payments on the 2020 Bonds and such Parity Debt, not to make payments on Parity Debt issued without a reserve.

The Agency’s ability to issue Parity Debt is limited to refundings of Outstanding 2020 Bonds and other Parity Debt for savings. The Agency projects that sufficient Pledged Tax Revenues will be available to make debt service payments on the 2020 Bonds. See Tables 5 and 6 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.”

Parity and Subordinate Debt

The Indenture permits the issuance by the Agency of certain refunding indebtedness which may have a lien upon the Pledged Tax Revenues on parity with the lien of the 2020 Bonds. The Agency has covenanted not to issue any additional obligations with a lien on former tax increment revenues senior to the lien of the 2020 Bonds. See “SECURITY FOR THE 2020 BONDS—Limitations on Additional Indebtedness” for a description of the conditions precedent to issuance of such additional obligations. The Indenture does not limit the issuance of tax allocation bonds or other indebtedness secured by a pledge of tax increment revenues subordinate to the pledge of Pledged Tax Revenues securing the 2020 Bonds.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) against the State, the State Controller, the State Director of Finance, and the County Auditor-Controller on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora is a monoline financial guaranty insurer domiciled in the State of New York and has provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by

Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the 2020 Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which Pledged Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds (including Bond Counsel's approving legal opinions) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings because federal bankruptcy laws may provide for an automatic stay of foreclosure and sale of tax sale proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the 2020 Bonds. Moreover, if the value of the subject property is less than the lien of property taxes, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws, payment of property taxes may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over property taxes in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

In addition, the United States Bankruptcy Code might prevent moneys on deposit in the Redevelopment Obligation Retirement Fund from being applied to pay interest on the 2020 Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner and if the court found that such landowner had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of property taxes or the timing of enforcement thereof. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

[As discussed under the caption "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Delinquencies*," the County has not adopted a "Teeter Plan" alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies.]

Estimated Revenues

In estimating that Pledged Tax Revenues will be sufficient to pay debt service on the 2020 Bonds, the Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Agency believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized. To the extent that the assessed valuation and the tax rates are less than expected, the Pledged Tax Revenues available to pay debt service on the 2020 Bonds

will be less than those projected and such reduced Pledged Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2020 Bonds.

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a taxable parcel, other less common claims may be relevant. One example is a claim with regard to a hazardous substance.

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a taxable parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but State and local laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxable parcels be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of the property that is realizable upon a delinquency and foreclosure.

Further, it is possible that liabilities may arise in the future with respect to any of the taxable parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not only from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a taxable parcel that is realizable upon a delinquency.

According to the Safety Element of the City’s General Plan, almost the entire City is located within the Airport Influence Area for the Santa Barbara Municipal Airport, which is located adjacent to the Project Area, and the potential associated hazards consist primarily of the risk of aircraft accidents in areas outside of the immediate airport.

Natural Disasters

Natural disasters, including floods and earthquakes, could damage improvements and/or property in the Project Area, or impair the ability of landowners within the Project Area to develop their properties or to pay property taxes.

Several active fault zones lie within Southern California. According to the Safety Element of the City’s General Plan, faults near or within the City include the More Ranch Fault, the Glen Annie Fault and the Carneros Fault. The proximity of these faults makes the Project Area subject to the hazards associated with ground shaking, surface rupture, and soil instability. In the case of surface rupture, properties along the rupture could be red-tagged and may not be rebuilt. [Agency to confirm whether past earthquake damage should be disclosed.]

If an earthquake were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced. Such a reduction of assessed valuations could result in a reduction of the Pledged Tax Revenues that secure the 2020 Bonds.

According to the Safety Element of the City's General Plan, there are approximately 640 acres within Federal Emergency Management Agency-designated 100-year floodplains within the City, which is approximately twelve percent of the entire area of the City. About 168 of these acres, or one quarter of the total, are in the Old Town area east of Fairview Avenue, which is included in the Project Area. Stream flooding is exacerbated by inadequately sized culverts under U.S. Highway 101, Hollister Avenue and the Union Pacific Railroad. A notable area subject to flooding is the floodplain associated with San Jose Creek and San Pedro/Las Vegas Creeks. This area is notable in that it includes two of the City's three major commercial areas: the Calle Real Center and the Goleta Old Town area. [Agency to confirm whether recent floods should be disclosed.]

The property within the Project Area may also be at risk from other events of force majeure, such as damaging storms, floods, fires, wildfires and explosions, strikes, sabotage, riots and spills of hazardous substances, among other events. The Agency cannot predict what force majeure events may occur in the future.

Changes in the Law

There can be no assurance that the State electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of Pledged Tax Revenues, which could have an adverse effect on the Agency's ability to pay debt service on the 2020 Bonds.

Investment Risk

Funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See Appendix B for a summary of the definition of Permitted Investments. The funds and accounts of the Agency, into which a portion of the proceeds of the 2020 Bonds will be deposited and into which Pledged Tax Revenues are deposited, may be invested by the Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. See also the caption "—Bankruptcy and Foreclosure."

Secondary Market

There can be no guarantee that there will be a secondary market for the 2020 Bonds, or, if a secondary market exists, that the 2020 Bonds can be sold for any particular price. Although the Agency has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Owners of the 2020 Bonds on a timely basis. See the caption "CONCLUDING INFORMATION—Continuing Disclosure" and Appendix G. Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances. Such prices could be substantially different from the original purchase price.

No Validation Proceeding Undertaken

Code of Civil Procedure Section 860 authorizes public agencies to institute a process, otherwise known as a "validation proceeding," for purposes of determining the validity of a resolution or any action taken pursuant thereto. Section 860 authorizes a public agency to institute validation proceedings in cases where another statute authorizes its use. Relevant to the 2020 Bonds, Government Code Section 53511

authorizes a local agency to “bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness.” Pursuant to Code of Civil Procedure Section 870, a final favorable judgment issued in a validation proceeding shall, notwithstanding any other provision of law, be forever binding and conclusive, as to all matters therein adjudicated or which could have been adjudicated, against all persons: “The judgment shall permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the judgment is binding and conclusive.”

The Agency has not undertaken or endeavored to undertake any validation proceeding in connection with the issuance of the 2020 Bonds. The Agency and Bond Counsel have relied on the provisions of AB 1484 authorizing the issuance of the 2020 Bonds and specifying the related deadline for any challenge to the 2020 Bonds to be brought. Specifically, Section 34177.5(e) of the Dissolution Act provides that notwithstanding any other law, an action to challenge the issuance of bonds (such as the 2020 Bonds), the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement authorized under Section 34177.5, must be brought within 30 days after the date on which the oversight board approves the resolution of the successor agency approving such financing. Such challenge period expired with respect to the 2020 Bonds and the Oversight Board Resolution on [February 20, 2020].

It is possible that the definition of Pledged Tax Revenues could be affected by changes in law or judicial decisions relating to the dissolution of redevelopment agencies. However, any action by a court to invalidate provisions of the Dissolution Act required for the timely payment of principal of, and interest on, the 2020 Bonds could be subject to issues regarding unconstitutional impairment of contracts and unconstitutional taking without just compensation. The Agency believes this constitutional provision would provide some protection against the adverse consequences upon the Agency and the availability of Pledged Tax Revenues for the payment of debt service on the 2020 Bonds in the event of successful challenges to the Dissolution Act or portions thereof. However, the Agency provides no assurance that any other lawsuit challenging the Dissolution Act or portions thereof will not result in an outcome that may have a detrimental effect on the Agency’s ability to timely pay debt service on the 2020 Bonds.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2020 Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the 2020 Bonds might be affected as a result of such an audit of the 2020 Bonds (or by an audit of similar municipal obligations).

Loss of Tax Exemption

As discussed under the caption “TAX MATTERS,” in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2020 Bonds, the City and the Agency have covenanted in the Indenture and the Tax Certificate relating to the 2020 Bonds not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the 2020 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the 2020 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the City or the Agency subsequent to the issuance of the 2020 Bonds in violation of such covenants with respect to the 2020 Bonds. Should such an event of taxability occur, the 2020 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to the redemption provisions of the Indenture.

Bonds Are Limited Obligations

Neither the faith and credit nor the taxing power of the Agency (except to the limited extent set forth in the Indenture), the City, the State or any political subdivision thereof is pledged to the payment of the 2020 Bonds. The 2020 Bonds are special obligations of the Agency; and, except as provided in the Indenture, they

are payable solely from Pledged Tax Revenues. Pledged Tax Revenues could be insufficient to pay debt service on the 2020 Bonds as a result of delinquencies in the payment of property taxes or the insufficiency of proceeds derived from the sale of land within the Agency following a delinquency in the payment of the applicable property taxes. As discussed under the caption “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Delinquencies*,” under its current policies, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each redevelopment successor agency in the County without regard to delinquencies in the payment of property taxes. However, there can be no assurance that such policies will not be changed in the future. The Agency has no obligation to pay debt service on the 2020 Bonds in the event of insufficient Pledged Tax Revenues, except to the extent that money is available for such purpose in the Redevelopment Obligation Retirement Fund, the Debt Service Fund and the Reserve Account.

Bond Insurance

[In the event of default of the payment of the scheduled principal of or interest on the 2020 Bonds when all or some becomes due, the Trustee on behalf of any owner of the 2020 Bonds shall have a claim under the Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the 2020 Bonds and the Insurer’s consent may be required in connection with amendments to any applicable documents relating to the 2020 Bonds. See Appendix B – “SUMMARY OF THE INDENTURE—Security of Bonds; Flow of Funds—Provisions Relating to the Insurance Policy.”

The long-term ratings on the 2020 Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings on the Bonds will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See “RATINGS” herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Agency nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Agency to make the payments on the 2020 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See “BOND INSURANCE” herein for further information regarding the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.]

Limitations on Remedies

Remedies available to the Owners of the 2020 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2020 Bonds or to preserve the tax-exempt status of the 2020 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the 2020 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors’ rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Enforceability of the rights and remedies of the Owners of the 2020 Bonds, and the obligations incurred by the Agency, may become subject to the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State. See the caption "—Bankruptcy and Foreclosure."

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the 2020 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a 2020 Bond (the first price at which a substantial amount of the 2020 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the 2020 Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to an Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by an Owner will increase the Owner's basis in the applicable 2020 Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owner of the 2020 Bond is excluded from gross income of such Owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owner of the 2020 Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the 2020 Bonds is based upon certain representations of fact and certifications made by the Agency and others and is subject to the condition that the Agency complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the 2020 Bonds to assure that interest (and original issue discount) on the 2020 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the 2020 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2020 Bonds. The Agency will covenant to comply with all such requirements.

The amount by which an Owner's original basis for determining loss on sale or exchange in the applicable 2020 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Owner's basis in the applicable 2020 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in an Owner realizing a taxable gain when a 2020 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2020 Bond to the Owner. Purchasers of the 2020 Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person,

whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2020 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any 2020 Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the 2020 Bonds is excluded from gross income for federal income tax purposes provided that the Agency continues to comply with certain requirements of the Code, the ownership of the 2020 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the 2020 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2020 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2020 Bonds.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2020 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2020 Bonds might be affected as a result of such an audit of the 2020 Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2020 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2020 Bonds or their market value.

FOLLOWING THE ISSUANCE OF THE 2020 BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE 2020 BONDS OR THE MARKET VALUE OF THE 2020 BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE 2020 BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE 2020 BONDS. NO ASSURANCE CAN BE GIVEN THAT FOLLOWING THE ISSUANCE OF THE 2020 BONDS, STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE 2020 BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE 2020 BONDS.

A copy of the proposed form of the opinion of Bond Counsel to be delivered at Closing with respect to the 2019 Bonds is attached hereto as Appendix C.

CONCLUDING INFORMATION

Underwriting

The 2020 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) pursuant to a Bond Purchase Agreement, dated _____, 2020 (the “Purchase Agreement”), by and between the Underwriter and the Agency. The Underwriter has agreed to purchase the 2020 Bonds at a price of \$_____ (being the aggregate principal amount thereof, [plus/less] a [net] original issue [premium/discount] of \$_____ and less an Underwriter’s discount of \$_____). The Purchase Agreement provides that the Underwriter will purchase all of the 2020 Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside front cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2020 Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

Municipal Advisor

Urban Futures, Inc., Tustin, California, has served as municipal advisor ("Municipal Advisor") to the Agency in connection with the 2020 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities. Compensation for the Municipal Advisor's services is entirely contingent upon the sale and delivery of the 2020 Bonds.

Legal Opinion

The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, approving the validity of the 2020 Bonds and stating that interest on the 2020 Bonds is exempt from federal and California personal income taxes under present State income tax laws will be furnished to the purchaser at the time of delivery of the 2020 Bonds at the expense of the Agency. Compensation for Bond Counsel's services is entirely contingent upon the sale and delivery of the 2020 Bonds.

A copy of the proposed form of Bond Counsel's final approving opinion with respect to the 2020 Bonds is attached hereto as Appendix C. The legal opinion is only as to legality and is not intended to be nor is it to be interpreted or relied upon as a disclosure document or an express or implied recommendation as to the investment quality of the 2020 Bonds.

In addition, certain legal matters will be passed on for the Underwriter by Jones Hall, a Professional Law Corporation, as Underwriter's Counsel, for the Agency by the City Attorney of the City of Goleta, as counsel to the Agency, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as disclosure counsel, and for the Trustee by its counsel.

Litigation

There is no action, suit or proceeding known to the Agency to be pending and notice of which has been served upon and received by the Agency, or threatened, restraining or enjoining the execution or delivery of the 2020 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Agency taken with respect to any of the foregoing.

Ratings

In connection with the issuance and delivery of the 2020 Bonds, S&P Global Ratings, a Standard & Poor's Financial Services, LLC business ("S&P") has assigned its underlying municipal rating of "___" to the 2020 Bonds. [S&P is also expected to assign the Bonds the rating of "___" based upon the delivery of the Policy by the 2020 Insurer at the time of issuance of the Insured Bonds. See the caption "BOND INSURANCE."]

There is no assurance that the credit ratings given to the 2020 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of either of such ratings may have an adverse effect on the market price of the 2020 Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. Generally, rating agencies base

their ratings on information and materials furnished to them (which may include information and material from the Agency which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

Continuing Disclosure

The Agency has covenanted in a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) for the benefit of the holders and Beneficial Owners of the 2020 Bonds to provide certain financial information and operating data relating to the Agency by March 31 following the end of the Agency’s fiscal year (currently its fiscal year ends on June 30) (the “Annual Report”), commencing with the report for fiscal year ending June 30, 2020, and to provide notices of the occurrence of certain enumerated events.

The Annual Report and the notices of enumerated events will be filed by the Agency with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix G. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”).

The Former Agency previously entered into a continuing disclosure undertaking under Rule 15c2-12 in connection with the issuance of the Refunded Obligations; however, over the past five years, the Agency has failed to comply with all of its continuing disclosure obligations relating to the Refunded Obligations. The Agency has taken steps to remedy this situation by adopting disclosure policies and procedures and by retaining Urban Futures, Inc. to serve as continuing disclosure consultant to the Agency. Agency staff has also received training relating to the Agency’s continuing disclosure obligations.

Miscellaneous

All of the preceding summaries of the Indenture, the Bond Law, the Dissolution Act, the Redevelopment Law, other applicable legislation, the Redevelopment Plan for the Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2020 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the Executive Director of the Agency, has been duly authorized by the Agency.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE CITY OF
GOLETA

By: _____
Executive Director

APPENDIX A
FISCAL CONSULTANT'S REPORT

APPENDIX B

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture of Trust (the “Indenture”) authorizing the 2020 Bonds that are not otherwise described in the text of this Official Statement. Such summary is not intended to be definitive, and reference is made to the actual Indenture (copies of which may be obtained from the Trustee) for the complete terms thereof.

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon issuance of the 2020 Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2018

Successor Agency to the Redevelopment Agency for the City of Goleta
Goleta, California

Re: \$_____ Successor Agency to the Redevelopment Agency for the City of Goleta Tax
Allocation Refunding Bonds, Series 2020A

Dear Honorable Members of the Successor Agency:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the Successor Agency to the Redevelopment Agency for the City of Goleta (the "Agency") taken in connection with the authorization and issuance by the Agency of the above-referenced Bonds (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the Agency, the Trustee, the Underwriter of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued by the Agency pursuant to the Constitution and laws of the State of California (the "State"), including Article 11 of Chapter 3 (Commencing with Section 53580) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), 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 (as amended from time to time, the "Dissolution Act"), Resolution No. _____ adopted by the Agency on _____, 2020 and Resolution No. _____ adopted by the Santa Barbara Countywide Oversight Board on _____, 2020, and in accordance with an Indenture of Trust, dated as of _____ 1, 2020 (the "Indenture"), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee. Capitalized terms not defined herein shall have the meanings ascribed to those terms in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the Agency and are legal, valid and binding limited obligations of the Agency, enforceable in accordance with their terms and the terms of the Indenture.

(2) The Indenture has been duly executed and delivered by the Agency. The Indenture creates a valid pledge of the Pledged Tax Revenues and the amounts on deposit in certain funds and accounts established under the Indenture to secure the Bonds, as and to the extent provided in the Indenture.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

(4) Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph 3 above) and is exempt from State personal income tax.

(6) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable bond premium reduces the bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinions expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are subject to the condition that the Agency complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Agency has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture and the Tax Certificate executed by the Agency with respect to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. We express no opinion as to the effect on exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bonds if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, A Professional Corporation.

With respect to the opinions expressed herein, the rights and obligations under the Indenture are subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights, to the application of equitable principles if equitable remedies are sought, to the limitations on legal remedies against public agencies in the State and to limitations on rights of indemnity by principles of public policy.

The opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the Agency terminates upon the issuance of the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Agency takes no responsibility for the completeness or accuracy thereof. The Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2020 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2020 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2020 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an

authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2020 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the 2020 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the 2020 Bonds are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the 2020 Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

APPENDIX E
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
FISCAL YEAR ENDED JUNE 30, 2019

APPENDIX F
STATE DEPARTMENT OF FINANCE LETTER

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon the issuance of the 2020 Bonds, the Agency proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF GOLETA
TAX ALLOCATION REFUNDING BONDS,
SERIES 2020A**

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Redevelopment Agency for the City of Goleta (the “Successor Agency”) in connection with the execution and delivery of the above-referenced bonds (the “Bonds”). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of _____ 1, 2020, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Indenture”).

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the 2020 Bonds and in order to assist the Participating Underwriter in complying with the Rule.

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

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means each March 31, commencing March 31, 2021, or the date that is nine months after the end of the Successor Agency’s fiscal year if the Successor Agency’s fiscal year is changed (the Successor Agency’s fiscal year currently ends June 30).

“*Dissemination Agent*” means Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Successor Agency in connection with the issuance of the 2020 Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the 2020 Bonds required to comply with the Rule in connection with offering of the 2020 Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021 with the report for the 2019-20 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. 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 Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor 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). The Successor 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 the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner and in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Successor Agency’s audited financial statements 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 Successor Agency’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Description of issuance by the Successor Agency of any debt payable from or secured by a pledge of Pledged Tax Revenues in the Project Area (as defined in the Official Statement) in the most recently completed fiscal year only (including details as to date, amount, term, rating, insurance).

(ii) The assessed value of property in the Project Area (but without any obligation to report values for amendment areas separately) for the current fiscal year only in the form of Table 1 in the Official Statement.

(iii) The ten largest property taxpayers in the Project Area for the current fiscal year only in the form of Table 2 to the Official Statement.

(iv) The coverage ratio provided by Pledged Tax Revenues in the Project Area with respect to debt service on the Bonds and any Parity Debt for the current fiscal year only, in the form of Table 7 in the Official Statement without any requirement to update any projected Pledged Tax Revenues set forth in Table 7.

(v) [If the County has rescinded the Teeter Plan with respect to the Successor Agency's Pledged Tax Revenues, a statement to that effect.]

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (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 security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (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.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the Successor Agency or an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Successor Agency or an obligated person, any of which affect Bond holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Successor Agency or an obligated person, any of which reflect financial difficulties.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor 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 Successor 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 Successor Agency.

(e) For purposes of the events identified in paragraphs (a)(15) and (a)(16) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2020 Bonds. If such termination occurs prior to the final maturity of the 2020 Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor 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 2020 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 either (i) is approved by holders of the 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 the 2020 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 Report 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.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report 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 Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor 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 Successor 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 Successor 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 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2020 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency 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 Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2020

SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY FOR THE CITY OF GOLETA

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:

URBAN FUTURES, INC.,
as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Successor Agency to the Redevelopment Agency for the City of Goleta

Name of Issue: Successor Agency to the Redevelopment Agency for the City of Goleta
Tax Allocation Refunding Bonds, Series 2020A

Date of Issuance: _____, 2020

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture of Trust, dated as of _____ 1, 2020, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

URBAN FUTURES, INC.

By: _____
Its: _____

APPENDIX H

SUPPLEMENTAL INFORMATION—THE CITY OF GOLETA

The following information relating to the City of Goleta (the “City”) and the County of Santa Barbara, California (the “County”) is supplied solely for purposes of information. Neither the City nor the County is obligated in any manner to pay principal of or interest on the 2020 Bonds or to cure any delinquency or default on the 2020 Bonds. The 2020 Bonds are payable solely from the sources described in the Official Statement. The Agency makes no representation as to the accuracy of the information set forth in this Appendix.

City Council

The members of the City Council and the expiration dates of their respective terms are as follows:

CITY OF GOLETA City Council

<i>Name</i>	<i>Term Expires</i>
Paula Perotte	December 2022
Kyle Richards	December 2020
Roger S. Aceves	December 2022
Stuart Kasdin	December 2020
James Kyriaco	December 2022

The City Council appoints the City Manager who serves as the Chief Executive Officer of the City and supervises the various City services, prepares proposals for the City Council’s consideration and implements the City Council’s policy.

Population

The City’s population as of January 1, 2019 was approximately 32,759. This represents an increase of approximately 1.80 percent from January 1, 2018. The following table shows the population for the City, the County and the State from 2015 through 2019.

POPULATION For Years 2015 through 2018

<i>Year (January 1)</i>	<i>City of Goleta</i>	<i>County of Santa Barbara</i>	<i>State of California</i>
2015	31,182	443,312	38,952,462
2016	31,537	447,227	39,214,803
2017	31,902	449,823	39,504,609
2018	32,179	452,747	39,740,508
2019	32,759	454,593	39,927,315

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2019, with 2010 Census Benchmark, Sacramento, California, May 2019.

Building Activity

Residential building activity for the past five calendar years for the City is shown in the following tables.

CITY OF GOLETA New Housing Units Building Permits

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Single Family Units	4	1	23	27	12
Multifamily Units	<u>316</u>	<u>27</u>	<u>213</u>	<u>180</u>	<u>97</u>
Total Units	<u>320</u>	<u>28</u>	<u>236</u>	<u>207</u>	<u>109</u>

Source: Construction Industry Research Board and California Homebuilding Foundation.

CITY OF GOLETA Building Permit Valuations (Dollars in Thousands)

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Residential					
New Single Family	\$ 1,407	\$ 297	\$ 7,295	\$ 7,920	\$ 3,373
New Multifamily	46,011	8,708	34,657	42,635	21,836
Res. Alt. & Adds	<u>4,169</u>	<u>1,758</u>	<u>17,932</u>	<u>3,124</u>	<u>3,234</u>
Total Residential	\$ 51,587	\$ 10,763	\$ 59,884	\$ 53,679	\$ 28,443
Nonresidential					
New Commercial	\$ 21,089	\$ 20,195	\$ 17,374	\$ 1,216	\$ 0
New Industrial	0	0	0	0	0
New Other ⁽¹⁾	2,027	7,572	11,192	144	0
Alters. & Adds.	<u>38,618</u>	<u>21,516</u>	<u>9,150</u>	<u>19,697</u>	<u>16,736</u>
Total Non-Residential	\$ 61,734	\$ 49,283	\$ 37,716	\$ 21,057	\$ 16,736
Total All Building	<u>\$ 113,321</u>	<u>\$ 60,046</u>	<u>\$ 97,600</u>	<u>\$ 74,736</u>	<u>\$ 45,179</u>

⁽¹⁾ Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings.

Note: "Total All Building" is the sum of Residential and Nonresidential Building Permit Valuations. Totals may not add to sum because of independent rounding.

Source: Construction Industry Research Board and California Homebuilding Foundation.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

The following tables show the personal income and per capita personal income for the County, State of California and United States from 2013 through 2018.

PERSONAL INCOME
County of Santa Barbara, California, and United States
2013-2018

<i>Year</i>	<i>County of Santa Barbara</i>	<i>California</i>	<i>United States</i>
2013	\$22,072,779	\$1,886,379,100	\$14,175,503,000
2014	23,619,059	2,021,038,500	14,982,715,000
2015	25,359,394	2,171,947,400	15,709,242,000
2016	35,538,436	2,263,889,800	16,111,636,000
2017	26,572,680	2,370,112,400	16,870,106,000
2018	27,992,849	2,514,129,300	17,813,035,000

Note: Dollars in Thousands.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for the County, the State of California and the United States for the years 2013-2018. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME⁽¹⁾
County of Santa Barbara, State of California, and United States
2013-2018

<i>Year</i>	<i>County of Santa Barbara</i>	<i>California</i>	<i>United States</i>
2013	\$50,763	\$49,277	\$44,851
2014	53,758	52,324	47,058
2015	57,307	55,758	48,978
2016	57,432	57,739	49,870
2017	59,633	60,156	51,885
2018	62,690	63,557	54,446

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes the labor force, employment and unemployment figures over the past five years for the City, the County of Santa Barbara, the State of California and the nation as a whole.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT Yearly Average for Years 2014 through 2018

<i>Year and Area</i>	<i>Civilian Labor Force</i>	<i>Civilian Employment⁽¹⁾</i>	<i>Civilian Unemployment⁽²⁾</i>	<i>Civilian Unemployment Rate⁽³⁾</i>
2014				
Goleta	17,200	16,500	600	3.6%
Santa Barbara County	217,800	204,500	13,300	6.1
California	18,758,400	17,351,300	1,407,100	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
2015				
Goleta	17,100	16,600	500	3.1%
Santa Barbara County	217,300	205,800	11,500	5.3
California	18,896,500	17,724,800	1,171,700	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
Goleta	16,900	16,400	600	3.4%
Santa Barbara County	215,400	204,500	10,900	5.1
California	19,093,700	18,048,800	1,044,800	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
Goleta	17,000	16,500	500	3.0%
Santa Barbara County	215,500	205,700	9,700	4.5
California	19,312,000	18,393,100	918,900	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
Goleta	17,100	16,700	400	2.4%
Santa Barbara County	216,700	208,300	8,400	3.9
California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9

Note: Data is not seasonally adjusted.

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: California Employment Development Department, based on March 2018 benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Santa Maria Santa Barbara MSA (Santa Barbara County). The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2014 through 2018.

**SANTA MARIA SANTA BARBARA MSA
(SANTA BARBARA COUNTY)
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE
2014 through 2018**

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Civilian Labor Force	217,800	217,300	215,400	215,500	216,700
Civilian Employment	204,500	205,800	204,500	205,700	208,300
Civilian Unemployment	13,300	11,500	10,900	9,700	8,400
Civilian Unemployment Rate	6.1%	5.3%	5.1%	4.5%	3.9%
 Total Farm	 21,000	 21,000	 20,900	 21,700	 22,900
Total Nonfarm	176,300	179,400	180,300	182,000	184,000
Total Private	138,000	140,800	142,300	143,300	144,900
Goods Producing	21,000	21,900	22,500	22,300	22,600
Mining, Logging & Construction	8,700	9,000	9,100	9,200	9,800
Manufacturing	12,300	13,000	13,400	13,100	12,900
Service Providing	155,300	157,500	157,800	159,700	161,400
Trade, Transportation & Utilities	27,200	27,400	27,100	27,100	27,200
Wholesale Trade	4,600	4,700	4,700	5,000	5,200
Retail Trade	19,300	19,500	19,200	18,900	18,600
Transportation, Warehousing & Utilities	3,300	3,300	3,200	3,200	3,400
Information	4,200	4,400	4,400	4,200	4,100
Financial Activities	6,400	6,400	6,500	6,600	6,600
Professional & Business Services	22,800	22,500	21,900	22,000	22,800
Educational & Health Services	25,100	25,700	26,600	27,300	27,300
Leisure & Hospitality	25,600	26,600	27,200	27,800	28,200
Other Services	5,700	5,900	6,000	6,100	6,100
Government	<u>38,300</u>	<u>38,700</u>	<u>38,100</u>	<u>38,700</u>	<u>39,100</u>
Total, All Industries	<u>197,300</u>	<u>200,400</u>	<u>201,200</u>	<u>203,700</u>	<u>206,900</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix H.

Source: State of California, Employment Development Department, Labor Market Information Division, March 2018 Benchmark.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the years 2015 through 2018.

CITY OF GOLETA
TABLE OF TAXABLE TRANSACTIONS
For the Years 2015 Through 2018
(000's)

<i>Year</i>	<i>Retail Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2015	648	\$597,623	1,241	\$802,100
2016	672	592,094	1,309	809,148
2017	683	601,383	1,314	804,306
2018	669	635,304	1,333	834,706

Source: California Department of Tax and Fee Administration.

APPENDIX I
SPECIMEN MUNICIPAL BOND INSURANCE POLICY