

APPROVAL OF A PLAN OF FINANCE

August 14, 2013

Page 2

activities necessary to restructure its outstanding debts and enforceable obligations to reduce costs.

DISCUSSION

The Finance Plan contemplates the consolidated refunding of the outstanding 2003 TABs and the recognized and approved enforceable obligation under the Water Park Hotel DDA.

Approximately \$42.345 million of the 2003 TABs are outstanding as of June 30, 2013 with interest rates ranging from 2.25% to 5.25%. Refunding these bonds in the current low interest rate environment would yield significant savings. Additionally, with rising interest rates expected in near future it makes good financial sense to now refund and escrow the \$42 million Water Park Hotel DDA recognized enforceable obligation, rather than funding it in 18 to 24 months when the hotel is expected to open.

Hence, staff is requesting Successor Agency's approval of the consolidated financing plan, which includes the refunding of the 2003 TABs and the recognized enforceable obligation of \$42 million with a current bond issuance. The plan looks to save on cost of issuance by combining the two obligations into one issuance, and to take advantage of today's low interest rates. This would reduce the Successor Agency's draw on the Redevelopment Property Tax Trust Fund (RPPTF) making more money available over time to the Taxing Entities through the Recognized Obligation Payment Schedule process. It should also be noted that the \$42 million debt proceeds would be held in escrow and released strictly as provided in the Water Park DDA. The related cost of carry and escrow fees until disbursement of the \$42 million Water Park DDA obligation will be paid from sources other than the RPTTF.

It is anticipated that the debt will be structured to provide level debt service payments through the financing period. The essential financial analysis, albeit preliminary, was prepared by the City's Financial Advisor, Springsted Incorporated, and Underwriter, Mitsubishi UFJ Securities (USA), Inc., and are attached as attachment 2. The analysis indicates that the refunding of the 2003 TABs will yield a net present value savings of approximately 9.322%, and cash flow savings of approximately \$3.95 million over the life of the bonds. With regards to the Waterpark DDA obligation funding, the expectation is that interest rates would definitely rise much higher by 2015. Our sensitivity analysis shows that interest rates would have to only rise by 26 basis points (bps) by 2015 to pass the breakeven point at which the financing costs become significantly more expensive. Conversely, rates in 2015 would need to be 47 bps lower than they are today in order for deferring the bond issuance to make economic sense.

Given the peculiar nature of this financing arrangement, staff deemed it beneficial for the Successor Agency to assemble and retain the required financing team as quickly as possible in order to move things along and prepare to issue the bonds under the best possible conditions and before interest rates rise. Staff has been working with this team to put this financing plan together. An authorizing resolution of the Successor Agency was approved on August 13, 2013, which formally

APPROVAL OF A PLAN OF FINANCE

August 14, 2013

Page 3

authorizes the assembling of this financing team that includes a Financial Advisor, Bond Counsel, Disclosure Counsel, Fiscal Agent, Trustee, Verification Agent, and an Underwriter who will be responsible for preparing, marketing and actually selling the debt. Staff deems the following actions appropriate and necessary under the circumstances with respect to each team member.

- Financial Advisor

Staff has been working with Bill Reynolds, of Springsted Incorporated as the Financial Advisor to research and assemble the financial analysis supporting this bond issue. A consultant agreement with Springsted Incorporated is attached for Successor Agency approval.

- Bond Counsel

Staff intends to use the Law Offices of Stradling Yocca Carlson & Rauth, as the Bond Counsel for this issuance. Stradling Yocca Carlson & Rauth currently acts as Special Counsel to the Successor Agency and has worked with the City and the former Redevelopment Agency on previous bond and COP issuances.

- Disclosure Counsel

The law firm of Jones Hall has been engaged to act as disclosure counsel for this bond refunding.

- Underwriter

Staff intends to use Marc Hughes of Mitsubishi UFJ Securities (USA), Inc. as the Underwriter for this issuance. Mitsubishi is a subsidiary of Union Bank, NA. Union Bank currently has an outstanding loan of approximately \$27,333,333 to the Successor Agency and also provides banking services to the City.

Following approval by the Oversight Board, the Financing Plan will be submitted to the DOF for approval. Upon approval by the DOF, staff will prepare final bond documents and a resolution authorizing the issuance of said bonds and bring those back to the Successor Agency and Oversight Board for final approval to actually issue the bonds. Also, to the extent that the sale of the 2013 Bonds would be enhanced by judicial validation, the Successor Agency, based on advice of Bond Counsel, will pursue a judicial determination of the validity of said bonds and related obligations.

FINANCIAL IMPACT

Coverage analysis on the consolidated refunding indicates coverage in excess of two-times over the life of the bonds. Cash flow analysis on the refunding of the 2003 bonds show net present value savings of 9.322%, and cash flow savings of approximately \$3.95 million over the life of the bonds. With regards to the Waterpark DDA obligation funding, the expectation is that interest rates would definitely rise much higher by 2015. Our sensitivity analysis shows that interest rates would have to only rise by 26 bps by 2015 to pass the breakeven point at which the financing costs become significantly more expensive. Conversely, rates in

2015 would need to be 47 bps lower than they are today in order for deferring the bond issuance to make economic sense.

RECOMMENDATION

Staff recommends the Oversight Board:

- Adopt the attached Resolution authorizing the issuance of refunding bonds for the 2003 Tax Allocation Bonds (Series A) and for the Waterpark Hotel DDA Enforceable Obligation (Series B), and related judicial validation
- Authorize the Director to transmit said resolutions to the Department of Finance for approval
- Authorize the Director to execute a contract with Springsted Incorporated, and appoint same as the Successor Agency's financial advisor for this assignment as described herein subject to approval by the Oversight Board and Department of Finance
- Authorize the Director to appoint Stradling Yocca Carlson & Rauth as the bond counsel for this assignment as described herein subject to approval by the Oversight Board and Department of Finance
- Authorize the Director to appoint Jones Hall Law Firm as the disclosure bond counsel for this assignment as described herein subject to approval by the Oversight Board and Department of Finance
- Authorize the Director or his designee to enter into all other necessary agreements to assemble the financing team including Underwriter, Trustee, Fiscal Agent, etc. to effectively ready the issuance of the refunding bonds subject to approval by the Oversight Board and Department of Finance.


KINGSLEY OKEREKE
Finance Director


By: Jim DellaLonga
Senior Project Manager

Attachment 1: Resolution
Attachment 2: Draft Bond Documents
Attachment 3: Consultant Agreement

Approved for Agenda Listing


Matthew Ferial
Director

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Garden Grove Community Project (the "Redevelopment Project") has been adopted and approved by the City of Garden Grove and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency has previously issued its 2003 Tax Allocation Refunding Bonds (Garden Grove Community Project) (the "2003 Bonds") in the original principal amount of \$57,025,000 for the purpose of refinancing other indebtedness of the Prior Agency and to finance redevelopment activities of the Prior Agency for the Redevelopment Project; and

WHEREAS, the Prior Agency has previously entered into a Credit Agreement with Union Bank of California, N.A., dated as of June 2, 2008 providing for a loan to the Agency in the amount of up to \$32 million (the "2008 Loan"), which 2008 Loan is secured by certain tax increment revenues of the Prior Agency for the Redevelopment Project; and

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

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

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency to the Garden Grove Agency for Community Development (the "Successor Agency"); and

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

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

WHEREAS, pursuant to Section 408 of that certain First Amended and Restated Disposition and Development Agreement (the "DDA"), dated as of April 13, 2010, by and between the Prior Agency and Garden Grove MXD, LLC (the "Developer") the Successor Agency is obligated to pay Forty-Two Million Dollars (\$42,000,000) (the "DDA Payment") to the Developer 30 days following the later to occur of (i) the date the Hotel Opens for business or (ii) the Certificate of Occupancy for the Hotel is issued (as those terms are defined in the DDA) (the "DDA Payment Deadline"); and

WHEREAS, the Successor Agency desires to issue bonds to fund the DDA Payment on or before the DDA Payment Deadline and to refund the 2003 Bonds; and

WHEREAS, the Successor Agency wishes at this time to issue bonds, in the principal amount of not to exceed Ninety-Eight Million Dollars (\$98,000,000) (the "2013 Bonds") secured by a pledge of property tax revenues authorized by California Health and Safety Code Sections 34177, subdivisions (a) and (c), and 34177.5(g) to refund the 2003 Bonds in their entirety and to generate proceeds sufficient to make the DDA Payment, all on a parity with the 2008 Loan and all pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, the Successor Agency has previously approved all matters relating to the issuance and sale of the 2013 Bonds; and

WHEREAS, the Oversight Board desires to approve all matters relating to the issuance and sale of the 2013 Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code of the State of California.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, AS FOLLOWS:

1. Each of the foregoing recitals is true and correct.
2. The Oversight Board hereby approves and authorizes the issuance by the Successor Agency to the Garden Grove Agency for Community Development of the 2013 Bonds in an aggregate principal amount of not to exceed Ninety-Eight Million Dollars (\$98,000,000) for the purpose set forth in the recitals hereof.
3. To the extent the Successor Agency Director determines, based on the advice of Bond Counsel, that the sale of the 2013 Bonds will be facilitated by a judgment supporting the validity of the 2013 Bonds, the issuance of the 2013 Bonds may be made subject to a prior judicial determination of the validity of the Bonds, the Indenture and related matters and this Board hereby authorizes the

filing of an action to determine the validity of the 2013 Bonds, the Indenture and related matters in the Superior Court of Orange County, under the provisions of Sections 860 *et seq.* of the Code of Civil Procedure of the State of California. In such event, the City Attorney and Bond Counsel are hereby authorized and directed to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the 2013 Bonds, the Indenture and related matters.

4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Successor Agency to the Garden Grove Agency for Community Development are hereby authorized to execute such documents and certificates necessary to assist the Successor Agency in the issuance of the 2013 Bonds.

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

INDENTURE OF TRUST

Dated as of September 1, 2013

by and between the

SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

and

[TRUSTEE]
as Trustee

Relating to

[\$Bond Amount]
Successor Agency to the
Garden Grove Agency for Community Development
Garden Grove Community Project
Tax Allocation Refunding Bonds, Issue of 2013

Table of Contents

Page

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.1	Findings and Determinations	3
Section 1.2	Definitions.....	3
Section 1.3	Rules of Construction.....	13

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1	Authorization of Bonds.....	13
Section 2.2	Term of Bonds	14
Section 2.3	Redemption of Bonds.....	15
Section 2.4	Form of Bonds	18
Section 2.5	Execution of Bonds.....	18
Section 2.6	Transfer of Bonds.....	18
Section 2.7	Exchange of Bonds	19
Section 2.8	Registration Books.....	19
Section 2.9	Temporary Bonds.....	19
Section 2.10	Bonds Mutilated, Lost, Destroyed or Stolen.....	19
Section 2.11	Book-Entry Only System.....	20
Section 2.12	Successor Securities Depository; Transfers Outside Book-Entry Only System.....	20

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS
OF BONDS; PARITY BONDS

Section 3.1	Issuance of Bonds	21
Section 3.2	Application of Proceeds of Bonds	21
Section 3.3	Costs of Issuance Fund	22
Section 3.4	Issuance of Parity Bonds.....	22
Section 3.5	Validity of Bonds.....	23

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.1	Security of Bonds; Equal Security	24
Section 4.2	Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Pledged Tax Revenues.....	24
Section 4.3	Transfer of Amounts by the Trustee	24
Section 4.4	Rebate Fund	26

Table of Contents
(continued)

Page

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1	Covenants of the Successor Agency	28
-------------	---	----

ARTICLE VI

THE TRUSTEE

Section 6.1	Duties, Immunities and Liabilities of Trustee	32
Section 6.2	Merger or Consolidation	33
Section 6.3	Liability of Trustee	34
Section 6.4	Right to Rely on Documents	35
Section 6.5	Preservation and Inspection of Documents	35
Section 6.6	Compensation and Indemnification	35
Section 6.7	Investment of Moneys in Funds and Accounts	36
Section 6.8	Accounting Records and Financial Statements	37
Section 6.9	Appointment of Co-Trustee or Agent	37

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.1	Amendment Without Consent of Owners	38
Section 7.2	Amendment With Consent of Owners	39
Section 7.3	Effect of Supplemental Indenture	39
Section 7.4	Endorsement or Replacement of Bonds After Amendment	39
Section 7.5	Amendment by Mutual Consent	39
Section 7.6	Opinion of Counsel	39

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.1	Events of Default and Acceleration of Maturities	40
Section 8.2	Application of Funds Upon Acceleration	41
Section 8.3	Power of Trustee to Control Proceedings	41
Section 8.4	Limitation on Owner's Right to Sue	42
Section 8.5	Non-waiver	42
Section 8.6	Actions by Trustee as Attorney-in-Fact	43
Section 8.7	Remedies Not Exclusive	43

ARTICLE IX

MISCELLANEOUS

Section 9.1	Benefits Limited to Parties	43
-------------	-----------------------------------	----

Table of Contents
(continued)

	<u>Page</u>
Section 9.2	Successor is Deemed Included in All References to Predecessor.....43
Section 9.3	Discharge of Indenture.....43
Section 9.4	Execution of Documents and Proof of Ownership by Owners.....44
Section 9.5	Disqualified Bonds.....44
Section 9.6	Waiver of Personal Liability.....45
Section 9.7	Destruction of Canceled Bonds.....45
Section 9.8	Notices.....45
Section 9.9	Partial Invalidity.....45
Section 9.10	Unclaimed Moneys.....46
Section 9.11	Execution in Counterparts.....46
Section 9.12	Governing Law.....46
Section 9.13	Payments Due on Other Than a Business Day.....46

ARTICLE X

MATTERS RELATED TO THE BOND INSURER

Section 10.1	Bonds Outstanding.....	Error! Bookmark not defined.
Section 10.2	Required Action.....	Error! Bookmark not defined.
Section 10.3	Claims Upon the Insurance Policy and Payments by and to the Insurer.....	Error! Bookmark not defined.
Section 10.4	Subrogation.....	Error! Bookmark not defined.
Section 10.5	Reimbursement of Insurer.....	Error! Bookmark not defined.
Section 10.6	Application of Prepayment.....	Error! Bookmark not defined.
Section 10.7	Information Provided to Insurer.....	Error! Bookmark not defined.
Section 10.8	Miscellaneous.....	Error! Bookmark not defined.
EXHIBIT A	BOND FORM.....	A-1

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is dated as of September 1, 2013, by and between the SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, a Redevelopment Plan for the Garden Grove Community Project (the "Redevelopment Project") has been adopted 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, the Prior Agency has previously issued \$57,025,000 Garden Grove Agency for Community Development, 2003 Tax Allocation Refunding Bonds (Garden Grove Community Project) (the "2003 Bonds") pursuant to the provisions of the Law for the purpose of providing funds to refund certain prior bonds of the Prior Agency and to pay costs of redevelopment activities of the Prior Agency relating to the Redevelopment Project; and

WHEREAS, the Prior Agency has previously entered into a Credit Agreement dated as of _____, 2008 with Union Bank, N.A. related to a loan in the original aggregate principal amount of \$ _____ (the "2008 Loan"); and

[WHEREAS, the 2008 Loan would have a senior claim to Pledged Tax Revenues over the Bonds and any Parity Bonds issued hereunder by operation of law, except that Union Bank N.A., has agreed that the 2008 Loan shall be treated as Parity Bonds under this indenture for all purposes of the lien on Pledged Tax Revenues hereunder; and]

WHEREAS, pursuant to that certain First Amended and Restated Disposition and Development Agreement (the "DDA"), dated as of April 13, 2010, by and between the former Garden Grove Agency for Community Development and Garden Grove MXD, LLC (the "Developer"), the Successor Agency is obligated, subject to the terms of the DDA (1) to pay certain Covenant Consideration as described therein in the amount of \$47 million, of which Forty-Two Million Dollars (\$42,000,000) (the "DDA Payment") is to be funded through the issuance of Tax Allocation Bonds, as defined therein) to the Developer 30 days following the later to occur of (i) the date the Hotel Opens for business or (ii) the Certificate of Occupancy for the Hotel is issued (as those terms are defined in the DDA) (the "DDA Payment Deadline"), or (2) failing that, to make a pledge of Available Agency Revenues (as defined in the DDA) from the Redevelopment Property Tax Trust

Fund to the Developer in certain amounts and subject to certain conditions set forth in Section 408 of the DDA on or before the DDA Payment Deadline; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency deems it necessary to issue at this time tax allocation refunding bonds in a principal amount not to exceed _____ Million _____ Thousand Dollars (\$[Bond Amount]) (the "Bonds"), and to irrevocably set aside a portion of the proceeds of such Bonds in a separate segregated trust fund which will be used to (1) refund the outstanding 2003 Bonds of the Prior Agency, (2) fund the DDA Payment, (3) pay costs in connection with the issuance of the Bonds and to make certain other deposits as required by this Indenture; and

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

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

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

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

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

WHEREAS, the Successor Agency desires to issue its Garden Grove Community Project, Tax Allocation Refunding Bonds, Issue of 2013 (the "Bonds") for the purpose of refunding the 2003 Bonds and funding the DDA Payment, to fund a reserve amount and pay costs of issuance; and

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

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

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

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

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

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

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

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

“Bond”, “Bonds” or “2013 Bonds” means the Garden Grove Community Project, Tax Allocation Refunding Bonds, Issue of 2013, authorized by and at any time Outstanding pursuant to this Indenture.

“Bond Year” means the twelve (12) month period commencing on October 2 of each year, provided that the first Bond Year shall extend from the Delivery Date to October 1, 2014.

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

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

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

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

“City” means the City of Garden Grove, State of California.

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

“Computation Year” means, with respect to the Bonds, the period beginning on the Delivery Date and ending on October 1, 2014, and each 12-month period ending on October 1 thereafter until there are no longer any Bonds Outstanding.

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

“Corporate Trust Office” means the corporate trust office of the Trustee, currently at [TRUSTEE], except for exchange, surrender and payment of the Bonds, in which case “Trust Office” shall refer to the corporate trust office of [TRUSTEE] in [St. Paul, Minnesota], or such other or additional offices as may be specified to the Successor Agency by the Trustee in writing.

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

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

“County” means the County of Orange, California.

“DDA” has the meaning ascribed thereto in the recitals hereof.

“DDA Payment” has the meaning ascribed thereto in the recitals hereof.

“DDA Payment Escrow Fund” means the trust fund established under the DDA Payment Escrow Agreement.

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

“Defeasance Securities” means (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future

interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4), pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5), securities eligible for “AAA” defeasance under then existing criteria of S & P or any combination.

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

“Developer” has the meaning ascribed thereto in the recitals hereof.

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

“DOF” means the California Department of Finance.

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

“Escrow Bonds” means the Term Bonds maturing October 1, _____, in the aggregate principal amount of \$ _____.

“Escrow Release Certificate” means the Written Certificate of the Successor Agency providing for the release of the moneys in the DDA Payment Escrow Fund to fund the DDA Payment described in Section 3.5 hereof.

“Escrow Termination Date” means the date established for the extraordinary redemption of the Escrow Bonds pursuant to Section 2.3(c) hereof.

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

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

“Garden Grove Agency for Community Development” means the Garden Grove Agency for Community Development.

“Indenture” means that certain Indenture of Trust dated as of September 1, 2013, between the Successor Agency and [TRUSTEE], approved by Resolution No. _____, adopted by the Successor Agency on _____, and Resolution No. _____, adopted by the Oversight Board on _____, authorizing the issuance of the Bonds.

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

- (1) is in fact independent and not under domination of the Successor Agency;

(2) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds; and

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

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

“Interest Payment Date” means April 1 and October 1, commencing April 1, 2014 so long as any of the Bonds remain Outstanding hereunder and, with respect to the 2008 Loan, [**the dates on which interest is payable thereunder**].

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

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

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

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

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

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

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

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

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

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

“Parity Bonds” means the 2008 Loan and any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Successor Agency as permitted by Section 3.4 of this Indenture.

“Paying Agent” means any paying agent appointed by the Successor Agency pursuant to the Indenture.

“Permitted Investments” means:

- (a) For all purposes, including defeasance investments in refunding escrow accounts.
 - (1) Defeasance Securities
- (b) For all purposes other than defeasance investments in refunding escrow accounts.
 - (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration -Federal Financing Bank
 - (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies
 - (3) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

- (4) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;
 - (5) Investments in a money market fund, including those of an affiliate of the Trustee rated “AAAm” or “AAAm-G” or better by S&P;
 - (6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
 - (7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.
 - (8) Investment Agreements with an entity rated “A” or higher by S&P; and;
 - (9) The Local Agency Investment Fund of the State or any state administered pooled investment fund in which the Successor Agency is statutorily permitted or required to invest will be deemed a permitted investment.
- (c) The value of the above investments shall be determined as follows:
- (1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, and Bank of America Merrill Lynch.

- (2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and
- (3) As to any investment not specified above: the value thereof established by prior agreement among the Successor Agency and the Trustee.

"Plan Limitations" means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate principal amount of indebtedness payable from Tax Revenues which may be outstanding at any time, (b) the aggregate amount of taxes which may be divided and allocated to the Prior Agency (and now the Successor Agency) pursuant to the Redevelopment Plan, (c) the period of time for establishing or incurring indebtedness payable from Tax Revenues and (d) the period of time for receiving Tax Revenues for any purpose, established pursuant to Section 33333.2, 33333.4 or 33333.6 of the Law, as applicable.

"Pledged Tax Revenues" means the portion of the monies deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act that are equal to that portion of taxes levied upon taxable property in the Project Area and received by the Successor Agency on or after the date of issue of the Bonds, pursuant to Article 6 of Chapter 6 of the Prior Law and Section 16 of Article XVI of the Constitution of the State, within the Plan Limitations 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 and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations, and (b) as to such percentage of annual debt service on any issue of Parity Bonds as shall be specified in the proceedings for such Parity Bonds, all amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund in any Fiscal Year pursuant to Section 33334.3 of the Redevelopment Law but excluding (i) all amounts of such taxes which are payable to entities other than the Successor Agency pursuant to the Tax Sharing Statutes or the Tax Sharing Agreements to the extent such Tax Sharing Statutes or Tax Sharing Agreements create a prior lien on such taxes and such entities other than the Successor Agency have not subordinated their right to receive payments, (ii) except as set forth in (b) above, all amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund in any fiscal year pursuant to Section 33334.3 of the Redevelopment Law and (iii) amounts, if any, payable by the State to the Successor Agency under and pursuant to the provisions of Chapter 1.5 of Part 1 of Division 4 of Title 2 (commencing with Section 16110) of the Government Code of the State. In accordance with the Dissolution Act, the Bonds and Parity Bonds shall be payable from and secured by, and Pledged Tax Revenues shall include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (b) of Health & Safety Code Section 34170.5 and subdivision (c) of Health & Safety Code Section 34172, and paid to the Successor Agency as provided in paragraph (2) of subdivision (a) of Health & Safety Code Section 34183. If, and to the extent, that the provisions of Section 34170.5, Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

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

“Prior Law” means the Community Redevelopment Law of the State of California (commencing with Health and Safety Code Section 33000) as it existed on or before June 29, 2011.

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

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

“Redevelopment Plan” means the Redevelopment Plan for the Redevelopment Project known as the “Garden Grove Community Project” as adopted and approved by the City on June 26, 1973 by Ordinance No. 1339; as amended by Ordinance No. 1388, adopted on July 9, 1974; as amended by Ordinance No. 1548, adopted on November 29, 1976; as amended by Ordinance No. 1699 adopted on October 16, 1979, and renamed “Garden Grove Community Project, As Amended”; as amended by Ordinance No. 1760 on June 9, 1981; as merged with the Redevelopment Plan for the Trask Avenue Project, adopted by Ordinance No. 1476 on November 25, 1975; as merged with the Redevelopment Plan for the Brookhurst/Chapman Project, adopted by Ordinance No. 1576 on March 21, 1977; as merged with the Redevelopment Plan for the Brookhurst/Katella Project, adopted by Ordinance No. 1642 on February 21, 1978; as merged by Ordinance No. 1699 on October 16, 1979 and Ordinance No. 1760 on June 1, 1981; as amended by Ordinance No. 2035 on February 16, 1988; as amended by Ordinance No. 2232 on July 14, 1992; as amended by Ordinance No. 2304 on October 18, 1994; as amended by Ordinance No. 2455 on December 8, 1998, and as amended by Ordinance No. 2567 on July 9, 2002 [**add later amendments**].

“Redevelopment Project” means the Garden Grove Community Project established pursuant to the Redevelopment Plan.

“Redevelopment Project Area,” or “Project Area” means the means the area within the Garden Grove Community Project, as described in the Redevelopment Plan.

“Refunded Bonds” means the 2003 Bonds.

“Regular Record Date” means the fifteenth day of the month preceding any Interest Payment Date whether or not such day is a Business Day.

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

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

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

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

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

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

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

“Redevelopment Property Tax Trust Fund” or “RPTTF” means the fund by that name established pursuant to Health & Safety Code Section 34170.5(b) and administered by the County auditor-controller.

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

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

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

“Tax Sharing Agreements” means the following agreements between the Prior Agency (now the Successor Agency) and affected taxing entities (or La Quinta Homes, LLC, in a single case), together with any permitted amendments or modifications thereof:

- Capital Facilities Agreement by and between the Garden Grove Unified School District (the “GGUS District”) and the Prior Agency, dated as of August 25, 1992;
- Tax Sharing Agreement dated as of September 29, 1992 by and among the County of Orange, the County of Orange Harbors, Beaches and Parks Service Area No. 26, the Court of Orange Flood Control District, the County of Orange Public Library [and the Prior Agency?];
- Tax Sharing Agreement by and between the County Sanitation District No. 2 and the Prior Agency, Dated November 24, 1992;
- Tax Sharing Agreement by and between the Garden Grove Sanitary District and the Prior Agency, dated November 10, 1992;
- Tax Sharing Agreement by and between the Huntington Beach Union High School District and the Prior Agency, dated February 9, 1993;

- Tax Sharing Agreement by and between the Orange County Vector Control District and the Prior Agency, dated as of July, 1993;
- Tax Sharing Agreement by and between the Westminster School District and the Prior Agency, dated November 10, 1992;
- Capital Facilities Agreement by and between the Rancho Santiago Community College District and the Prior Agency, dated as of August 25, 1992;
- Tax Sharing Agreement by and between the Orange County Water District and the Prior Agency, dated as of June 3, 1992;
- Tax Sharing Agreement by and between the Orange Unified School District and the Prior Agency, dated April 13, 1993;
- Tax Sharing Agreement by and between the Orange County Superintendent of Schools and the Prior Agency, dated June 8, 1993;
- Tax Sharing Agreement by and between the North Orange County Community College District and the Prior Agency, dated June 8, 1993;
- Tax Sharing Agreement by and between the Coast Community College District and the Prior Agency, dated as of July, 1993;
- Owner Participation Agreement by and between the Prior Agency and La Quinta Homes, LLC dated as of November 12, 1996; and
- Resolution of Anaheim Union High School District adopted pursuant to former Health and Safety Code Section 33676(a); and
- Resolution of Anaheim Elementary School District adopted pursuant to former Health and Safety Code Section 33676(a).

[• For purposes of amounts constituting Tax Revenues under part (b) of the definition thereof (related to housing only), that certain Limited Guaranty, Support and Pledge Agreement of the Prior Agency dated as of February 1, 1996, and any obligations issued to refund the Guaranty and that certain Promissory Note of the Prior Agency dated as of February 1, 1996 in favor of Federal National Mortgage Association.][Terminated?]

“Tax Sharing Statutes” means Sections 33607.5 and/or 33607.7 of the Law [and Section 34183 of the Dissolution Act.]

“Term Bonds” means, collectively, (a) the Bonds maturing on October 1, ____, which are not serial bonds, and (b) any maturity of Parity Debt which is subject to mandatory sinking account redemption pursuant to the instrument authorizing the issuance thereof.

“Trustee” means [TRUSTEE], a national banking association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2003 Bonds” means the Prior Agency’s \$57,025,000 2003 Tax Allocation Refunding Bonds (Garden Grove Community Project).

“2003 Bonds Escrow Bank” means [TRUSTEE], a national banking association, as escrow bank under the Escrow Agreement.

“2003 Bonds Escrow Fund” means the trust fund established under the 2003 Bonds Escrow Agreement.

“2003 Bonds Escrow Agreement” means the 2003 Bonds Escrow Agreement between the Successor Agency and the 2003 Bonds Escrow Bank.

“2003 Indenture” means the Indenture of Trust dated as of May 1, 2003 providing for the issuance of the 2003 Bonds.

“2008 Loan” means the Prior Agency’s \$ _____ loan, and any refunding bonds issued thereof.

“2008 Credit Agreement” means the Credit Agreement dated as of _____, 2008 between the Prior Agency and Union Bank N.A., as amended by that certain [Amendment to Allow Parity Debt] dated as of _____, 2013 providing for the issuance of the 2008 Loan and the treatment of the 2008 Loan as Parity Bonds under this Indenture.

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

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

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1 Authorization of Bonds. (a) Bonds in the aggregate principal amount of _____ Million _____ Dollars (\$[Bond Amount]) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Act. This Indenture constitutes a continuing agreement with the Trustee for the benefit of the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the “Successor Agency to the Garden Grove Agency for Community Development, Garden Grove Community Project, Tax Allocation Refunding Bonds, Issue of 2013.”

(a) The Bonds shall be and are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal, interest and premium, if any,

on a parity with the Garden Grove Agency for Community Development's 2008 Loan from Pledged Tax Revenues and other funds as hereinafter provided. The Bonds, interest and premium, if any, thereon are not a debt of the City, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the State nor any of its political subdivisions (except the Successor Agency) is liable on them. In no event shall the Bonds, interest thereon and premium, if any, be payable out of any funds or properties other than those of the Successor Agency as set forth in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

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

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

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

Section 2.2 Term of Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the Bonds shall mature on October 1, in the years and in the amounts and shall bear interest at the rate per annum as follows:

Maturity Date	Principal Amount	Interest Rate
October 1		

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of

the Trustee mailed on the Interest Payment Date by first class mail to such Owner at the address of such Owner as it appears on the Registration Books; provided, however, that upon the written request of any Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Regular Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America Interest shall be calculated based upon a 360-day year of twelve thirty-day months.

Each Bond shall be initially dated as of the Delivery Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Regular Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before March 15, 2014, in which event it shall bear interest from the Delivery Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.3 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before October 1, 20__, are not subject to optional redemption prior to maturity. The Bonds maturing on or after October 1, 20__, shall be subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole, or in part among such maturities as shall be determined by the Successor Agency and by lot within a maturity from any available source of funds at a redemption price equal the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee, written notice of its intention to redeem 2003 Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof, at least forty-five (45) days prior to the date fixed for such redemption (unless the Trustee in its sole discretion shall accept a notice at any later time at least thirty (30) days prior to the date fixed for redemption).

(b) Mandatory Sinking Account Redemption. The Term Bonds maturing on October 1, 20__ shall also be subject to redemption in part by lot, from sinking account installments deposited in the Principal Account on each October 1, on and after October 1, 20__, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, according to the following schedule (provided, however, that if some but not all of such Bonds have been redeemed, the total amount of all future mandatory sinking account payments attributable to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such mandatory sinking account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee)):

**Mandatory Sinking Account Redemption of 2003 Term Bonds
 Maturing on October 1, 20__ in the Amount of \$ _____**

Sinking Fund Redemption Date (October 1)	Principal Amount to be Redeemed or Purchased
	\$

(maturity)

The Term Bonds maturing on October 1, 20__ (the "Escrow Bonds") shall also be subject to redemption in part by lot, from sinking account installments deposited in the Principal Account on each October 1, on and after October 1, 20__, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, according to the following schedule (provided, however, that if some but not all of such Bonds have been redeemed, the total amount of all future mandatory sinking account payments attributable to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such mandatory sinking account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee)):

**Mandatory Sinking Account Redemption of 2003 Term Bonds
 Maturing on October 1, 20__ in the Amount of \$ _____**

Sinking Fund Redemption Date (October 1)	Principal Amount to be Redeemed or Purchased
	\$

(maturity)

In lieu of redemption of the Term Bonds pursuant to this subsection (b), amounts on deposit in the Special Fund (to the extent not required to be transferred to the Trustee pursuant to Section 4.3 during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Bonds at public or private sale as and when at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Bonds so purchased by the Successor Agency and delivered to the Trustee for cancellation in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of Bonds required to be redeemed pursuant to this subsection (b) on October 1 in such year.

(c) Extraordinary Escrow Bonds Redemption. The Escrow Bonds shall be subject to extraordinary redemption on _____, ____ upon the failure of the Successor Agency

to deliver the Escrow Release Certificate set forth in Section 3.4 hereof on or before the date ___ days prior thereto. [Describe possible extension rights]

(d) Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee; provided, however, that 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 2003 Bonds or the cessation of the accrual of interest thereon. Notice of redemption of the Bonds (other than notice of mandatory Sinking Account redemption pursuant to Section 4.3(c) and other than notice that refers to 2003 Bonds which are the subject of an advance refunding) shall be given only if sufficient funds have been deposited with the Trustee to pay the redemption price of the Bonds to be redeemed. Such notice shall state the redemption date and the redemption price, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) unless all Bonds within a maturity have been called, or shall state that all of the Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Bonds to be redeemed will not accrue from and after the date fixed for redemption. At the election of the Successor Agency such notice may state that

(e) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender thereof 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 2003 Bond to be redeemed.

(f) Conditional Notice. With respect to any notice of optional redemption of the Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed and upon other conditions set forth therein and that, if such moneys shall not have been so received and such other conditions shall not have been satisfied, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect; (ii) the Successor Agency shall not be required to redeem such Bonds; (iii) the redemption shall not be made; and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

(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 provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 2.4 Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

Section 2.12 Successor Securities Depository; Transfers Outside Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Successor Agency, without the consent of any other

person, but following written notice to the Successor Agency and the Trustee, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to the foregoing provisions, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Successor Agency, at the expense of the Successor Agency, is obligated to deliver Bond certificates to the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the books of the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or name Bondowner transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. The Successor Agency may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Successor Agency, or such depository's agent or designee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY BONDS

Section 3.1 Issuance of Bonds. Upon the execution and delivery of this Indenture and receipt by the Successor Agency of evidence satisfactory to it of satisfaction of the conditions precedent to issuance of the Bonds, the Successor Agency shall execute and deliver Bonds in the aggregate principal amount of _____ Million _____ Dollars (\$[Bond Amount]) to the Trustee and the Trustee shall authenticate and deliver the Bonds upon the Written Request of the Successor Agency.

Section 3.2 Application of Proceeds of Bonds. (a) On the Delivery Date the proceeds of sale of the Bonds shall be paid to the Trustee and said amount together with moneys transferred from the Funds and Accounts held in connection with the Refunded Bonds shall be applied as follows:

(i) The Trustee shall deposit the amount of \$ _____ into the Reserve Account of the Debt Service Fund:

(ii) The Trustee shall transfer the amount of \$ _____ to the DDA Payment Escrow Fund;

(iii) Trustee shall transfer the amount of \$ _____ to the 2003 Bonds Escrow Bank for deposit in the 2003 Bonds Escrow Fund pursuant to the 2003 Bonds Escrow Agreement;

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

(v) The Trustee shall deposit the amount of \$ _____ from Bond proceeds into the Escrow Bonds Subaccount of the 2013 Bonds Interest Account of the Debt Service Fund.

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

Moneys deposited in the 2003 Bonds Escrow Fund pursuant to Section 3.2(a) hereof shall be held by the 2003 Bonds Escrow Bank, respectively, and the principal of and interest on the 2003 Bonds in accordance with the provisions of the 2003 Bonds Escrow Agreement.

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

Section 3.4 DDA Payment Escrow Fund. Moneys deposited in the DDA Payment Escrow Fund shall be invested in _____, and interest earnings therein shall be transferred to the 2013 Bonds Interest Account not less often than five (5) days prior to each Interest Payment Date, the Escrow Release Date or the Escrow Termination Date.

Upon delivery to the Trustee of the Escrow Release Certificate at least __ days prior to the Escrow Termination Date, amounts in the DDA Payment Escrow Fund shall be released to or upon the order of the Successor Agency for the payment of the DDA Payment in accordance with the DDA, and any balance remaining therein shall be transferred to the Bond Fund. For purposes of this Indenture, the "Escrow Release Certificate" shall mean a Written Certificate of the Successor Agency to the effect that all conditions to the lawful payment of the DDA Payment to the Developer (as identified in the recitals hereto) have been satisfied.[PROVIDE CERTIFICATE FORM AS EXHIBIT].

On the Escrow Termination Date, the Trustee shall transfer all amounts in the DDA Payment Escrow Fund to the 2013 Bonds Principal Account to fund the extraordinary redemption of the Escrow Bonds pursuant to Section 2.03(c) hereof.

Section 3.5 Issuance of Parity Bonds. In addition to the Bonds, subject to the requirements of this Indenture and the 2008 Credit Agreement, the Successor Agency may issue or incur Parity Bonds in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee and for such purposes as are permitted under the Dissolution Act, including without limitation Section 34177.5 thereof. The Successor Agency may issue or incur such Parity Bonds subject to the following specific conditions precedent:

- (a) The Successor Agency will be in compliance with all covenants set forth in this Indenture and the 2008 Credit Agreement;
- (b) The Oversight Board shall have approved the issuance of Parity Bonds;
- (c) The Parity Bonds will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for (i) bonds substantially in accordance with this Indenture [and the 2008 Credit Agreement], and (ii) the deposit of moneys into the Reserve

Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Bonds;

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

(i) For the current and each future Bond Year the debt service for each such Bond Year with respect to all Bonds, 2008 Loan and other Parity Bonds reasonably expected to be outstanding following the issuance of the Parity Bonds;

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

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

(iv) That for the then current Fiscal Year, the Pledged Tax Revenues referred to in item (ii) and for each future Fiscal Year the Pledged Tax Revenues referred to in item (iii) are at least equal to the sum of 125% of the Maximum Annual Debt Service with respect to amounts referred to in item (i) above (excluding debt service with respect to any portion of the Parity Bonds deposited in an escrowed proceeds account to the extent such debt service is paid from earnings on the investment of such funds), and, for the then current Fiscal Year, 100% of Annual Debt Service with respect to any subordinate debt and that the Successor Agency is entitled under the Dissolution Act, the Law and the Redevelopment Plan to receive taxes under Section 33670 of the Law in an amount sufficient to meet expected debt service with respect to all Bonds, the 2008 Loan and other Parity Bonds.

(e) Except for the 2008 Loan (which shall be payable on the dates and in accordance with its terms) the Parity Bonds will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Bonds until the next succeeding April 1 or October 1) provided, however, nothing herein shall preclude the Successor Agency from issuing and selling Parity Bonds which do not pay current interest.

Section 3.6 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

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

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

Section 4.2 Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section [34170.5(a)] of the Dissolution Act. There is hereby continued a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with the 2008 Credit Agreement and this Indenture. The Successor Agency shall deposit all of the Pledged Tax Revenues received in any Bond Year from the RPTTF in accordance with the Dissolution Act in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under the 2008 Credit Agreement and continued under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in such Bond Year pursuant to Section 4.3 of the 2008 Credit Agreement and this Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

Section 4.3 Transfer of Amounts by the Trustee. There are hereby created accounts and subaccounts within the Debt Service Fund as set forth below, to be known respectively as the 2013 Bonds Interest Account and Escrow Bonds Subaccount therein, the 2013 Bonds Principal Account and the 2013 Bonds Reserve Account. At the same time as moneys are transferred pursuant to Section 4.3 of the 2008 Credit Agreement for the payment of the 2008 Loan, moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit in the following respective accounts within the Debt Service Fund, which are hereby established with the Trustee, in the following order of priority:

(a) 2013 Bonds Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund and transfer to the 2013 Bonds Interest Account an amount which, when added to the amount contained in the 2013 Bonds Interest Account on that date (including from amounts transferred from the Escrow Bonds Subaccount), will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. On or before the 5th Business Day preceding each Interest Payment Date or Escrow Termination Date, the Trustee will withdraw from the Escrow Bonds Subaccount an amount equal to the aggregate amount of the interest becoming due and payable on the Escrow Bonds on such Interest Payment Date or Escrow Termination Date. No such transfer and deposit need be made to the 2013 Bonds Interest Account from the Debt Service Fund if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. Subject to this Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) 2013 Bonds Principal Account. On or before the 5th Business Day preceding each Interest Payment Date in each calendar year beginning October 1, 2014, the Trustee will withdraw from the Debt Service Fund and transfer to the 2013 Bonds Principal Account an amount equal to the principal payments becoming due and payable on Outstanding Bonds and Parity Bonds on such October 1, whether by reason of maturity, early call for redemption, mandatory sinking account installments or otherwise, to the extent monies on deposit in the Redevelopment Obligation Retirement Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on such October 1 on all Outstanding Bonds. Subject to this Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds as it becomes due and payable.

(c) 2013 Bonds Reserve Account. In the event the moneys on deposit in the Debt Service Fund five (5) Business Days before any Interest Payment Date are less than the full amount of the interest and principal payments required to be deposited, the Trustee will, five (5) Business Days before such Interest Payment Date, withdraw from the 2013 Bonds Reserve Account an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal. Promptly upon receipt of any such notice, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account an amount that, when added to the amount on deposit in the Reserve Account [for the 2008 Loan], will be sufficient to maintain the Reserve Requirement on deposit in the 2008 Loan Reserve Account, the 2013 Bonds Reserve Account and the Reserve Account of any additional Parity Bonds. If there is not sufficient moneys in the Redevelopment Obligation Retirement Fund to transfer an amount that, when added to the amount on deposit in the Reserve Account, will be sufficient to maintain the Reserve Requirement on deposit in the 2008 Loan Reserve Account, the 2013 Bonds Reserve Account and the Reserve Account for any additional Parity Bonds, the Successor Agency will have an obligation to continue making transfers of Pledged Tax Revenues into the Debt Service Fund, as such revenues become available, and thereafter, as moneys become available in the Debt Service Fund, the Trustee will make transfers to the 2008 Loan Reserve Account, the 2013 Bonds Reserve Account and the Reserve Account for any additional Parity Bonds until there is an amount sufficient to maintain the Reserve Requirement on deposit in the 2008 Loan Reserve Account, the 2013 Bonds Reserve Account and the Reserve Account for any additional Parity Bonds. No such transfer and deposit need be made to the 2013 Bonds Reserve Account (or any subaccount therein) so long as

there is on deposit therein a sum at least equal to the Reserve Requirement. Subject to this Indenture all money in the 2013 Bonds Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the 2013 Bonds Interest Account and the 2013 Bonds Principal Account, in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the 2013 Bonds Reserve Account in excess of the Reserve Requirement will be withdrawn from the 2013 Bonds Reserve Account semiannually on or before the 5th Business Day preceding April 1 and October 1 by the Trustee and deposited in the Interest Account. All amounts in the 2013 Bonds Reserve Account on the 5th Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the 2013 Bonds Interest Account and the 2013 Bonds Principal Account, in such order, to the extent required to make the deposits then required to be made or, (ii) if the Successor Agency shall have caused to be deposited with the Trustee an amount sufficient to make the deposits required by this Indenture, then at the Written Request of the Successor Agency such amount shall be transferred as directed by the Successor Agency. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

At the time the Bonds mature, amounts on deposit in the 2013 Bonds Reserve Account shall be transferred to the 2008 Loan Reserve Account to the extent necessary to maintain the Reserve Requirement on the 2008 Loan and any Parity Bonds then outstanding.

(d) Equal Rights. It is the intention of the Successor Agency that the Bonds and Parity Bonds shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Payment Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Payment Fund are insufficient to pay debt service on the Bonds and Parity Bonds as it becomes due, the Bonds and Parity Bonds shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Payment Fund.

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

(a) Excess Investment Earnings

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

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

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

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

(Y) Not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Computation 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 Subsection 4.4(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

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

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

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

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1 Covenants of the Successor Agency. As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and the 2008 Loan and will tend to make them more marketable; provided, however, that the covenants do not require the Successor Agency to expend any funds other than the Pledged Tax Revenues:

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

Covenant 2. No Priority. The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues prior or superior to the lien of the Bonds and the 2008 Loan. Except as permitted by Section 3.5 hereof, it will not issue any obligations, payable as to principal or interest, from the Pledged Tax Revenues, which have any lien upon the Pledged Tax Revenues on a parity with the Bonds authorized herein. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all of the Outstanding Bonds, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Pledged Tax Revenues. As used herein "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

Covenant 3. Punctual Payment. The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds and the 2008 Loan on the date, at the place and in the manner provided in the Bonds and the 2008 Loan.

Further, it will take all actions required under the Dissolution Act to include on the Recognized Obligation Payment Schedule for each six-month period all payments to the Trustee to satisfy the requirements of Section 4.2 of this Indenture and the 2008 Credit Agreement, including any amounts required under the Indenture and the 2008 Credit Agreement to replenish the Reserve Account of the Debt Service Fund to the full amount of the Reserve Requirement.

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

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

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

Covenant 7. Disposition of Property. The Successor Agency covenants and agrees that it will not dispose of more than ten percent (10%) of the land area in the Project Area (except property shown in the Redevelopment Plan in effect on the date this Indenture is adopted as planned for public use, or property to be used for public streets, public offstreet parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Pledged Tax Revenues to be less than the amount required for the issuance of Parity Bonds as provided in Section 3.4, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

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

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

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

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

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

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

(5) Hedge Bonds. The Successor Agency will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(6) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of Bonds and will

comply with the covenants and requirements stated therein and incorporated by reference herein.

Covenant 10. Compliance with Dissolution Act. The Successor Agency covenants that in addition to complying with the requirements of Covenant 3, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Bonds and on the 2008 Loan, as well as any amount required under this Indenture and the 2008 Credit Agreement to replenish the Reserve Accounts of the Debt Service Funds, in Recognized Obligation Payment Schedules for each six-month 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 and the 2008 Loan coming due in the respective six-month period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal and interest under this Indenture and the 2008 Credit Agreement when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture and the 2008 Credit Agreement for the next payment due thereunder and hereunder in the following six-month period.

Covenant 11. Limitation on Indebtedness. The Successor Agency covenants and agrees that it has not and will not incur any loans, obligations or indebtedness repayable from Pledged Tax Revenues such that the total aggregate debt service on said loans, obligations or indebtedness incurred from and after the date of adoption of the Redevelopment Plan, when added to the total aggregate debt service on the Bonds, will exceed the maximum amount of Pledged Tax Revenues to be divided and allocated to the Successor Agency pursuant to the Redevelopment Plan. The Successor Agency shall file annually with the Trustee on or prior to August 1 of each year a Written Certificate of the Successor Agency certifying that Pledged Tax Revenues received by the Successor Agency through the date of the certificate combined with the amount remaining to be paid on all outstanding obligations of the Successor Agency will not exceed the Plan Limit. To the extent it does, all Pledged Tax Revenues will be deposited in an escrow account and applied to the payment of such outstanding obligations.

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

Covenant 13. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any participating underwriter, holder or beneficial owner of the Bonds may take such actions as may be

necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE VI

THE TRUSTEE

Section 6.1 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent 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, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee has ceased to be eligible in accordance with subsection (e) of this Section, or has become incapable of acting, or has been adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property has been appointed, or any public officer shall have taken control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

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

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

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

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

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

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

Section 6.3 Liability of Trustee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6.7 Investment of Moneys in Funds and Accounts. Subject to the provisions of Article V hereof, all moneys held by the Trustee in the Debt Service Fund, DDA Payment Escrow Fund, Costs of Issuance Fund or the Rebate Fund, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any Fund or Account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall invest such moneys solely in Permitted Investments described in subsection (b) of the definition thereof.

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

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

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

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

(e) Moneys in the DDA Payment Escrow Fund shall be invested in _____ [describe escrow investment].

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

any monies invested in the Interest Account, Principal Account or Reserve Account, to the extent they exceed the amount required to be in such Account, shall be transferred on each Interest Payment Date to the Debt Service Fund. All interest earnings on monies invested in the Rebate Fund shall be retained in such Fund and applied as set forth in Section 4.4. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 6.7. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.7 hereof. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

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

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

Section 6.9 Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the

powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee or Successor Agency appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.9 are adopted to these ends.

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

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

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

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

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

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

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

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

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

Section 7.6 Opinion of Counsel. The Trustee shall be provided an opinion of counsel that any such Amendment or Supplemental Indenture entered into by the Successor Agency and the

Trustee complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

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

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

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

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

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

installments of principal and interest (to the extent permitted by law) at the net effective rate then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, including but not limited to attorneys fees, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Upon the occurrence of an event of default, the Trustee may, with the consent of a majority of the Holders, by written notice to the Successor Agency, declare the principal of the Bonds and Parity Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding.

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

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

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

Section 8.2 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 8.3 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding, including a writ of mandamus in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

Section 8.4 Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.5 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Bonds, as applicable, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided the Trustee shall have no duty or obligation to enforce any such right or remedy if it has not been indemnified to its satisfaction from loss, liability or any expense including, but not limited to reasonable fees and expenses of its attorneys.

Section 8.6 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

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

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

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

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

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

(iii) by irrevocably depositing with the Trustee, in trust, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums, if any) at or before maturity and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to all Outstanding Bonds shall cease and terminate, except only (a) the obligation of the Trustee to transfer and exchange Bonds hereunder and (b) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency. To accomplish defeasance, the Successor Agency shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement, (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency and.

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

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

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

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

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

Section 9.5 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor

Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded.

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

Section 9.7 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and upon written 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 9.8 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, or sent by telegram or facsimile, addressed as follows:

If to the Successor Agency: Successor Agency to the Garden Grove Agency for
Community Development
460 N. Euclid Avenue
Garden Grove, CA 91786
Attention: Executive Director

If to the Trustee: [TRUSTEE]

Attention: _____
Ref. Successor Agency to the Garden Grove Agency for
Community Development, Garden Grove Community
Project Tax Allocation Refunding Bonds, Issue of 2013

Section 9.9 Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable

to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof, be assumed by and vest in the Finance Officer of the Successor Agency in trust for the benefit of the Owners that the Finance Officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bondowners, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof.

Section 9.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium (if any) and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

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

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

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

ARTICLE X

MATTERS RELATED TO THE BOND INSURER

[RESERVED]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, has caused this Indenture to be signed in its name by its Chair and attested by its Secretary, and [TRUSTEE], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

By: _____
Its: Chair

ATTEST:

By: _____
Secretary

[TRUSTEE],
as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A
(FORM OF BOND)

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF LOS ANGELES)

SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
GARDEN GROVE COMMUNITY PROJECT
TAX ALLOCATION REFUNDING BOND, ISSUE OF 2013

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	1, 20__	_____, 2013	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth calendar day of the month preceding such interest payment date (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before March 15, 2014, in which event it shall bear interest from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the rate per annum stated above, payable semiannually on April 1 and October 1 in each year (each an "interest payment date"), commencing April 1, 2014, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of [TRUSTEE], as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the

close of business on the Record Date next preceding such interest payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as "Successor Agency to the Garden Grove Agency for Community Development Garden Grove Community Project Tax Allocation Refunding Bonds, Issue of 2013" (the "Bonds"), in an aggregate principal amount of _____ Million _____ Dollars (\$[Bond Amount]), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and pursuant to a resolution of the Successor Agency adopted January 28, 2013, and a resolution adopted by the Oversight Board (as defined in the Indenture) on January 31, 2013, and an Indenture of Trust, dated as of September 1, 2013, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to refund the Prior Agency's (as defined in the Indenture) previously issued \$52,075,000 aggregate initial principal amount, 2003 Tax Allocation Refunding Bonds, (Garden Grove Community Project) (the "2003 Bonds").

The Bonds are special obligations of the Successor Agency and are payable from, and are secured by a pledge of and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area (as that term is defined in the Indenture), on a parity with the Prior Agency's \$ _____ loan from Union Bank N.A. (as more fully described in the Indenture, the "2008 Loan").

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

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

The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as set forth 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 each and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Successor Agency to the Garden Grove Agency for Community Development has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Executive Director and its Secretary, all as of the Dated Date.

SUCCESSOR AGENCY TO THE GARDEN
GROVE AGENCY FOR COMMUNITY
DEVELOPMENT

By: _____
Executive Director

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

Authentication Date: _____, 2013

[TRUSTEE],
as Trustee

By: _____
Authorized Officer

LEGAL OPINION

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

Secretary of the Successor Agency to the Garden
Grove Agency for Community Development

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 appoint(s) _____ attorney, to transfer the same on the bond register of the Trustee with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

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

§ _____
**SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
GARDEN GROVE COMMUNITY PROJECT
TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2013**

BOND PURCHASE CONTRACT

_____, 2013

Successor Agency to the Garden Grove
Agency for Community Development
460 North Euclid Avenue
Garden Grove, CA 91786

Ladies and Gentlemen:

The undersigned, Mitsubishi UFJ Securities (USA), Inc., as underwriter (the “Underwriter”), offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the Successor Agency to the Garden Grove Agency for Community Development (the “Agency”), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Contract and its delivery to the Underwriter on or before 8:00 p.m., California time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, all (but not less than all) of the \$ _____ aggregate principal amount of the above-captioned bonds (the “Bonds”), at a purchase price equal to \$ _____ (being the aggregate principal amount thereof [plus/less] a [net] original issue [premium/discount] of \$ _____, and less an Underwriter’s discount of \$ _____).

The Bonds shall be delivered in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the Bonds shall mature on the dates and in the principal amounts, and shall be computed at the interest rates, all as shown in Exhibit A. Interest on the Bonds will be payable semiannually each April 1 and October 1, commencing April 1, 2014. The Bonds shall otherwise be as described in the Indenture and in the Official Statement (as defined herein), and shall be subject to redemption as provided therein.

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the

Agency and the Underwriter; (ii) the Underwriter is acting solely as Underwriter and principal in connection with the matters contemplated by and all communications under this Purchase Contract, and is not acting as the agent or as a fiduciary or Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of the Agency and its advisors in connection with the matters contemplated by this Purchase Contract; (iii) the Underwriter has financial and other interests that differ from those of the Agency; and (iv) in connection with the purchase and sale of the Bonds, the Agency has consulted its own financial, legal and other advisors to the extent it has deemed appropriate. The Agency also acknowledges that it previously received from the Underwriter a letter regarding Municipal Securities Rulemaking Board ("MSRB") Rule G-17 Disclosures, and that it has provided to the Underwriter acknowledgements of such letter.

2. The Bonds. The Bonds shall be issued and sold to the Underwriter pursuant to the Constitution and the laws of the State of California, 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 Indenture of Trust, dated as of _____ 1, 2013 (the "Indenture") by and between the Agency and _____, as trustee (the "Trustee"), resolutions of the Board of Directors of the Agency adopted on _____, 2013 and _____, 2013 (together, the "Agency Resolutions"), and a resolution of the Oversight Board to the Successor Agency to the Garden Grove Agency for Community Development (the "Oversight Board") adopted on _____, 2013 (the "Oversight Board Resolution.")

The Bonds are being issued to (i) refund the outstanding 2003 Tax Allocation Refunding Bonds (Garden Grove Community Project) (the "Refunded Bonds") issued by the Garden Grove Agency for Community Development (the "Prior Agency"); (ii) provide funds for the DDA Payment; (iii) provide a deposit to Reserve Account of the Debt Service Fund for the Bonds; and (iv) pay costs of issuance of the Bonds.

Following the issuance of the Bonds and the defeasance of the Refunded Bonds, the 2008 Loan will remain outstanding and payable from the Pledged Tax Revenues on a parity basis with the Bonds.

3. Offering.

(a) It shall be a condition to the Agency's obligation to sell and issue the Bonds to the Underwriter and to the Underwriter's obligation to purchase, to accept delivery of and to pay for Bonds that the entire aggregate principal amount of the Bonds referred to in Section 1 shall be issued by the Agency and purchased, accepted and paid for by the Underwriter at the Closing (as defined herein). The Underwriter agrees to make an initial public offering of all of the Bonds initially at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such initial public offering prices.

(b) The Underwriter agrees as follows:

(i) to file, on or before the date of Closing, a copy of the Official Statement, including any supplements thereto, with the MSRB through its Electronic Municipal Market Access system; and

(ii) to take any and all actions necessary to comply with rules of the Securities and Exchange Commission and the MSRB which are applicable to the Underwriter governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

4. Official Statement. The Agency has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Contract or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement, dated _____ 2013, relating to the Bonds (together with any appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the Agency for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") and approved for distribution by resolution of the Agency.

The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein) or (ii) the seventh (7th) business day following the date of this Purchase Contract: (A) the form of the Official Statement relating to the Bonds in "designated electronic format" (as defined in MSRB Rule G-32); and (B) copies of the Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the Agency and the Underwriter, the "Official Statement"), in such quantity as the Underwriter shall reasonably request. The Agency hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Agency and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the Agency hereby confirms that it does not object to distributions of the Official Statement in electronic form.

5. The Closing. At 8:00 a.m., California time, on _____, 2013 (the "Closing Date"), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter, the Agency will deliver: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York, duly executed; and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth ("Bond Counsel"), in Newport Beach, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing."

6. Agency Representations, Warranties and Covenants. The Agency represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the "State") with full right, power and authority to adopt the Agency Resolutions, to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Contract, the Indenture, the Escrow Agreement, dated as of _____ 1, 2013 (the "Escrow Agreement"), by and between the Agency and _____, as escrow bank (the "Escrow Bank"), and the Continuing Disclosure Agreement, dated as of the Closing Date, by and between the Agency and the Trustee (the "Continuing Disclosure Agreement"), and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement. This Purchase Contract, the Indenture, the Escrow Agreement and the Continuing Disclosure Agreement are collectively referred to as the "Agency Documents."

(b) Due Authorization and Approval. By all necessary official action, the Agency has duly adopted the Agency Resolutions at a meeting properly noticed at which a quorum was present and acting throughout and has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations contained in, the Official Statement and the Agency Documents, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Agency Documents will constitute the legally valid and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental agencies in the State of California. The Agency has complied, and will at the Closing be in compliance in all respects, with the terms of the Agency Documents.

(c) Consent. Except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Agency of its obligations under the Agency Documents have been duly obtained.

(d) Official Statement, Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not contain and up to and including the Closing will not contain a misstatement of any material fact and do not, and up to and including the Closing will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system).

(e) Underwriter's Consent to Amendments and Supplements to Official Statement. The Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(f) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Agency is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Agency Documents, and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

(g) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Agency or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Agency; (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (v) there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this paragraph.

(h) Preliminary Official Statement. For purposes of the Rule, the Agency has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule.

(i) End of Underwriting Period. Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the Agency is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Agency shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter’s opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the Agency shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the 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. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

If the information contained in the Official Statement is amended or supplemented pursuant to the terms 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 Agency will further amend or supplement the Official Statement so that the Official Statement, as supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(j) Tax Exemption. The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in the inclusion in gross income for federal or State of California income tax purposes of the interest on the Bonds.

(k) Prior Continuing Disclosure Undertakings. Except as disclosed in the Official Statement, the Agency has not defaulted on any material obligation under any prior continuing disclosure undertaking during the past five years.

(l) Oversight Board Approval. The Oversight Board has duly adopted the Oversight Board Resolution approving 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.

(m) Department of Finance Approval. The Department of Finance of the State (the “Department of Finance”) has issued a Final and Conclusive Determination Letter (the “Final and Conclusive Determination Letter”) approving the issuance of the bonds and the payment of debt service on the Bonds for the term 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. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

(n) Lien on Pledged Tax Revenues. Following the issuance of the Bonds and the defeasance of the Refunded Bonds, there will be no other obligations payable from and secured by a pledge of the Pledged Tax Revenues other than the Bonds and the 2008 Loan.

(o) Audited Financial Statement. No consent is required from the Agency’s auditor for the audited financial statements of the Agency to be appended to the Preliminary Official Statement and the final Official Statement.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the Agency contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations herein, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed herein and the accuracy and delivery of the documents and instruments required to be delivered hereby at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) Representation. The representations, warranties and covenants of the Agency contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing, (i) the Agency Documents to be entered into by the Agency shall be in full force and effect as valid and binding agreements between the various parties thereto; (ii) the Agency Documents and the Official Statement shall not have been amended, modified or supplemented after the date thereof except as may have been agreed to in writing by the Underwriter; (iii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and by the Agency Documents; and (iv) the Agency shall have performed its obligations required under or specified in the Legal Documents to be performed at or prior to the Closing.

(c) Termination. The Underwriter shall have the right to terminate in its discretion the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the Agency of its election to do so if, after the execution hereof and prior to the Closing:

(i) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Bonds which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds; or;

(ii) any action shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds, or any action shall have been taken by any court or by any government authority suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(iii) (A) the Constitution of the State shall be amended or an amendment shall qualify for the ballot, or (B) legislation shall be enacted, or (C) a decision shall have been rendered as to matters of State law, or (D) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State by an official, agency or department thereof, affecting the tax status of the Agency, its property or income, its bonds or notes (including the Bonds) or the interest thereon, which in the reasonable judgment of the Underwriter would make it impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(iv) (A) trading of any securities of the Agency shall have been suspended on any exchange or in any over-the-counter market, (B) a general banking moratorium by Federal, New York or California authorities or a general suspension of trading on any national securities exchange shall have been declared or a material disruption in commercial banking or securities settlement or clearances services affecting the Bonds shall have occurred, or (C) a national emergency or war or other crisis shall have been declared by the United States or there shall have occurred an outbreak or escalation in

major military hostilities by the United States or any calamity relating to the effective operation of the government or the financial community in the United States which, in the case of any of the events specified in clauses (A) through (C), either singly or together with any other such event, makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement;

(vi) there shall have occurred any downgrading, or any notice shall have been given of any downgrading, in the rating accorded the Bonds by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act of 1933, as amended;

(vii) (A) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Agency, or (B) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Agency, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds;

(viii) the New York Stock Exchange or other national securities exchange, or any governmental authority shall have: (A) imposed additional material restrictions not in force as of the date hereof with respect to trading in the Bonds; or (B) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of the Underwriter or broker-dealers, which, in the case any of the events specified in clauses (A) or (B), either singly or together with any other such event, makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds, including any supplements or amendments thereto;

(ix) a general banking moratorium shall have been declared by federal or New York or California state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement;

(x) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(xi) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds.

(d) Closing Documents. At or prior to the time of Closing, the Underwriter shall receive the following documents, in each case reasonably satisfactory in form and substance to the Underwriter:

(i) An approving opinion of Bond Counsel dated the Closing Date and substantially in the form set forth in Appendix ___ to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(ii) A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the Closing Date substantially to the following effect:

(A) This Purchase Contract and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other party thereto (if any), constitute the valid and binding agreements of the Agency, enforceable against the Agency in accordance with their respective terms, except as the same may be limited by bankruptcy, moratorium, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by the limitation upon legal remedies against public agencies in the State;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions ["INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," APPENDIX ___—"SUMMARY OF THE INDENTURE" and APPENDIX ___—"FORM OF OPINION OF BOND COUNSEL,"] excluding any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(C) The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(D) The Refunded Bonds are no longer outstanding and have been legally defeased in accordance with the provisions of the Indenture.

(iii) An opinion of the legal counsel to the Agency, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter, substantially to the following effect (and including such additional matters as may be reasonably required by Bond Counsel or the Underwriter):

(A) The Agency is a public entity validly existing under the laws of the State of California;

(B) The Agency Resolutions approving and authorizing the execution and delivery of the Agency Documents and approving the Official Statement were duly adopted, and the Agency Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their adoption;

(C) The Agency Documents have been duly authorized, executed and delivered by the Agency and constitute valid, legal and binding agreements of the Agency enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental entities in the State of California;

(D) The information in the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement and the information relating to DTC and its book-entry only system, and the information relating to the reserve fund surety bond and the municipal bond insurer (if any) contained therein, as to which counsel need express no view) does not contain any 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 under which they were made, not misleading;

(E) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obliga-

tions under any of the Agency Documents, or which, in any manner, questions the right of the Agency to use the Pledged Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect Pledged Tax Revenues or pledge the Pledged Tax Revenues or the plan limits applicable to the Project Area as described in the Official Statement; and

(F) As a result of the issuance of the Bonds and the defeasance of the Refunded Bonds, there are no other obligations payable from and secured by a pledge of the Pledged Tax Revenues other than the Bonds and the 2008 Loan.

(iv) An opinion of _____, as Disclosure Counsel to the Agency, dated the Closing Date, addressed to the Underwriter to the effect that, [without passing upon or assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement or making any representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as disclosure counsel to the Agency, to assist it in part of its responsibility with respect to the Official Statement, such counsel participated in conferences with representatives of the Oversight Board, the Agency, Bond Counsel, the Fiscal Consultant, the Underwriter and others, during which the contents of the Official Statement and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters mentioned above, such counsel advises as a matter of fact and not opinion that, during the course of such counsel's role as disclosure counsel with respect to the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such role which caused such counsel to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about The Depository Trust Company, the book-entry system, and Appendices ___, ___ and ___ included or referred to therein, which are expressly excluded from the scope of such opinion and as to which such counsel shall express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Official Statement];

(v) An opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter in form reasonably satisfactory to the Underwriter;

(vi) The opinion of counsel to the Trustee and Escrow Bank, dated the Closing Date, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(vii) A certificate of the Agency, dated the Closing Date, signed on behalf of the Agency by the Chair or Director or other duly authorized officer of the Agency to the following effect:

(A) The representations, warranties and covenants of the Agency contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Agency has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Agency at or prior to the Closing Date; and

(B) No event affecting the 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;

(viii) A certificate of the Trustee and Escrow Bank, dated the Closing Date, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter and to Bond Counsel;

(ix) A certificate of _____ (the "Fiscal Consultant"), dated the Closing Date, addressed to the Agency and the Underwriter, in form and substance acceptable to Disclosure Counsel and the Underwriter, certifying as to the accuracy of [APPENDIX ____—"FISCAL CONSULTANT'S REPORT"] and the information in the Official Statement under the captions ["THE REDEVELOPMENT PLAN" and "THE PROJECT AREA"] consenting to the inclusion of such firm's Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report;

(x) An original executed copy of each of the Agency Documents, which shall be delivered and in full force and effect;

(xi) The Official Statement, approved by the Agency;

(xii) A certificate, dated the date of the Preliminary Official Statement, of the Agency, to the effect that, for purposes of compliance with the Rule, the Agency deems the Preliminary Official Statement to be final as of its date;

(xiii) An executed copy of the Tax Certificate for the Bonds, in form and substance acceptable to Bond Counsel;

(xiv) Copies of the preliminary and final notices to the California Debt and Investment Advisory Commission relating to the Bonds;

(xv) A certified copy of the redevelopment plan for the Redevelopment Project and all resolutions/ordinances related thereto;

(xvi) A copy of the Final and Conclusive Determination Letter;

(xvii) The written consent to parity treatment by Union Bank, N.A., pursuant to which Union Bank, N.A., will agree that the pledge of tax increment revenues to it securing the 2008 Loan shall be considered on a parity with the lien on such tax increment revenues pledged to the Bonds pursuant to the Indenture;

(xviii) Evidence that the ratings on the Bonds are as described in the Official Statement;

(xix) A report of an independent certified public accountant in form and substance satisfactory to the Underwriter and Bond Counsel as to the sufficiency of the escrow funds to defease the Refunded Bonds;

(xx) If necessary to include the audited financial statements of the Agency in the Preliminary Official Statement and the Official Statement, a written consent of the Agency's auditor;

(xxi) Certified copies of the Agency Resolutions together with a certificate or certificates of the Secretary of the Agency to the effect that such resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their adoption;

(xxii) A certified copy of the Oversight Board Resolution together with a certificate of the Secretary of the Oversight Board to the effect that such resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption; and

(xxiii) such additional legal opinions, certificates, instruments and other documents as Bond Counsel or the Underwriter may reasonably request to evidence compliance by the Trustee and the Agency with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement, the lack of any material adverse litigation or proceeding and the due performance or satisfaction by the Trustee and the Agency, at or prior to such time of all agreements to be performed and all conditions then to be satisfied.

If the Agency shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by the Purchase Contract, the Purchase Contract shall terminate and neither the Underwriter nor the Agency shall be under any further obligation hereunder.

8. Indemnification.

(a) The Agency agrees to indemnify and hold harmless the Underwriter, the directors, officers, employees and agents of the Underwriter and each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law

or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement, the Final Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. This indemnity agreement will be in addition to any liability which the Agency may otherwise have.

(b) The Underwriter agrees to indemnify and hold harmless the Agency, each of its official, directors, officers and employees, and each person who controls the Agency within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the Agency to the Underwriter, but only with reference to written information furnished by the Underwriter to the Agency or information provided by the Underwriter specifically for inclusion in the Preliminary Official Statement or the final Official Statement (or in any amendment or supplement thereto).

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided herein is unavailable or insufficient to hold harmless an indemnified party for any reason, the Agency and the Underwriter agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to which the Agency and the Underwriter may be subject in such proportion as is appropriate to reflect the relative benefits received by the Agency on the one hand and by the Underwriter on the other from the offering. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Agency and the Underwriter shall contribute in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Agency on the one hand and of the Underwriter on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. In no case shall the Underwriter be responsible for any amount in excess of the purchase discount or fee applicable to the Bonds purchased by the Underwriter hereunder. Benefits received by the Agency shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriter shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Final Official Statement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Agency on the one hand or the Underwriter on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The Agency and the Underwriter agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the Agency within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the Agency shall have the same rights to contribution as the Agency, as the case may be, subject in each case to the applicable terms and conditions of this paragraph.

9. Expenses. The Underwriter shall be under no obligation to pay and the Agency shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Contract); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Agency's financial advisor, the Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the rating agency or rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the expenses incurred on behalf of Agency's employees that are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging and entertainment of those employees; (h) Underwriter's out-of-pocket expenses incurred with the financing (except as otherwise provided below); and (i) the fees charged by the California Public Securities Association.

The Underwriter shall pay only the fees and disbursements of Underwriter's Counsel, and all other expenses incurred by the Underwriter in connection with the public offering of the Bonds, including the fees and disbursements of any other counsel retained by them. The Underwriter is required to pay fees to the California Debt and Investment Advisor Commission in connection with the offering of the Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Agency agrees to reimburse the Underwriter for such fees.

10. Representations of Underwriter. The Underwriter represents and warrants to and agrees with the Agency that it is authorized to take any action under this Purchase Contract required to be taken by and on behalf of the Underwriter and that this Purchase Contract is a binding contract of the Underwriter enforceable in accordance with its terms.

11. Notice. Any notice or other communication (other than the acceptance hereof as specified in the first paragraph hereof) to be given under this Purchase Contract may be given by delivering the same in writing to the Agency to:

Successor Agency to the Garden Grove
Agency for Community Development
460 North Euclid Avenue
Garden Grove, CA 91786
Attn: Director

and to the Underwriter:

Mitsubishi UFJ Securities
400 California Street, 11th Floor
San Francisco, CA 94106
Attn: Marc Hughes

12. Parties in Interest; Survivability of Representations, Warranties and Agreements. This Purchase Contract is made solely for the benefit of the Agency and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Agency's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) issuance of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

13. Governing Law. The laws of the State shall govern the validity, interpretation and performance of this Purchase Contract.

14. Entire Agreement. This Purchase Contract, when accepted by the Agency in writing as heretofore specified, shall constitute the entire agreement among the Agency and the Underwriter.

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

16. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the Agency and shall be valid and enforceable at the time of such acceptance.

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. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the Agency without the prior written consent of the other parties hereto.

19. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Very truly yours,

Mitsubishi UFJ Securities (USA), Inc.,
as Underwriter

By: _____
Authorized Officer

ACCEPTED:

This _____, 2013

SUCCESSOR AGENCY TO THE GARDEN
GROVE AGENCY FOR COMMUNITY
DEVELOPMENT

By: _____
Director

EXHIBIT A

MATURITY SCHEDULE

\$ _____

**Successor Agency to the
Garden Grove Agency for Community Development
Garden Grove Community Project
Tax Allocation Refunding Bonds, Issue of 2013**

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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CONSULTANT AGREEMENT

THIS AGREEMENT, entered into this ___ day of _____, 2013, by and between CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a municipal corporation (hereinafter referred to as "Successor Agency"), and SPRINGSTED INCORPORATED, whose California address is 21300 Victory Blvd., Suite 1180, Woodland Hills, CA 91367 (hereinafter referred to as ("Consultant")), is made with reference to the following:

RECITALS:

A. Successor Agency is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

C. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement according to the terms and conditions described herein.

D. Successor Agency and Consultant desire to enter into an agreement for Financial Advisory Services according to the terms and conditions set forth herein.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM:

The term of this Agreement shall commence on the ___ day of _____, 2013 and shall terminate on the 31st day of December, 2016, unless terminated earlier as set forth herein. The contract may with the consent of both parties be renewed for an additional three-year term.

2. SERVICES TO BE PERFORMED:

Consultant shall perform each and every service set forth in Exhibit "A," which is attached hereto and incorporated herein by this reference.

3. COMPENSATION TO CONSULTANT:

Consultant shall be compensated for services performed pursuant to this Agreement in the amount set forth in Exhibit "B," which is attached hereto and incorporated herein by this reference. Payment shall be made by checks drawn on the treasury of the Successor Agency, to be taken from the

Redevelopment Property Tax Trust Fund or other funds, as appropriate.

4. TIME IS OF THE ESSENCE:

Consultant and Successor Agency agree that time is of the essence regarding the performance of this Agreement.

It is agreed that in case the work called for under the Agreement is not finished and completed in all parts and requirements within the time specified as agreed between the Successor Agency and Consultant, the Successor Agency shall have the right to extend the time for completion or not, as may seem best to serve the interest of the Successor Agency; and if it decides to extend the time limit for the completion of the Agreement, it shall further have the right to charge the Consultant, his or her heirs, assigns, or sureties, and to deduct from the final payment for the work, all or any part, as it may deem proper, of the actual costs and overhead expenses which are directly chargeable to the Agreement, and which accrue during the period of such extensions.

5. STANDARD OF CARE:

Consultant agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals in the State of California and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the City or Successor Agency nor have any contractual relationship with the City or Successor Agency.

6. INDEPENDENT PARTIES:

Successor Agency and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by City to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from City to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

7. IMMIGRATION REFORM AND CONTROL ACT (IRCA):

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal, or state rules and regulations. Consultant shall indemnify and hold City and Successor Agency harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

8. NON- DISCRIMINATION:

Consistent with City's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by Consultant or Consultant's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. HOLD HARMLESS:

Except for loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees, caused solely by the negligence of the City, its City Council, boards and commissions, officers and employees, Consultant shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner connected to Consultant's negligent act or omission regarding performance of services or work conducted or performed pursuant to this Agreement. Except for loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees, caused solely by the negligence of the City, its City Council, boards and commissions, officers and employees, Consultant shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees, accruing or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, equipment or supplies arising from or in any manner connected to the Consultant's negligent act or omission regarding performance of services or work conducted or performed pursuant to this Agreement.

10. INSURANCE:

On or before the commencement of the term of this Agreement, Consultant shall furnish City and Successor Agency with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 10A, B, C, D and E. Such certificates, which do not limit Consultant's indemnification, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the City of Garden Grove by certified mail, Attention: Risk Manager." It is agreed that Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to City and licensed to do insurance business in the State of California. Endorsements naming the City as additional insured shall be submitted with the insurance certificates.

A. COVERAGE:

Consultant shall maintain the following insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage in the following minimum

Bodily Injury: \$500,000 each occurrence, \$1,000,000 aggregate - all other

Property Damage: \$100,000 each occurrence, \$250,000 aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) **Automotive:**

Comprehensive automotive liability coverage in the following minimum limits:

Bodily Injury: \$500,000 each occurrence

Property Damage: \$100,000 each occurrence

or

Combined Single Limit: \$500,000 each occurrence

(4) **Professional Liability:**

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$2,000,000.

B. SUBROGATION WAIVER:

Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to its insurance for recovery. Consultant hereby grants to City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or City with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against City by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, City shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

City, its City Council, boards and commissions, officers, and employees shall be named as an additional insured under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by City are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

11. CONFLICT OF INTEREST:

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or

serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST TRANSFERS:

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of City and Successor Agency. Any attempt to do so without said consent shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Successor Agency under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Successor Agency by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venture or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. SUBCONTRACTOR APPROVAL:

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

14. PERMITS AND LICENSES:

Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses including, but not limited to, a City Business License, that may be required in connection with the performance of services hereunder.

15. REPORTS:

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of City. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to City the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of City, and all publication rights are reserved to City.

B. All Reports prepared by Consultant may be used by City and Successor Agency in execution or implementation of:

- (1) The original Project for which Consultant was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original project; and/or
- (4) Other City projects as appropriate.

C. Consultant shall, at such time and in such form as City and Successor Agency may require, furnish reports concerning the status of services required under this Agreement.

D. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by City and Successor Agency.

16. RECORDS:

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of City or its designees at all proper times, and gives City the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained for a period of three (3) years after receipt of final payment.

If supplemental examination or audit of the records is necessary due to concerns raised by City's preliminary examination or audit of records, and the City's supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of contract or failure to get in good faith, then Consultant shall reimburse City for all reasonable costs and expenses associated with the supplemental examination or audit.

17. NOTICES:

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests, or approvals from Consultant to Successor Agency shall be addressed to Successor Agency at:

City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development
11222 Acacia Parkway
P.O. Box 3070
Garden Grove, CA 92842
Attention: Kingsley Okereke, Finance Director

All notices, demands, requests, or approvals from City to Consultant shall be addressed to Consultant at:

Springsted Incorporated
21300 Victory Blvd., Suite 1180
Woodland Hills, CA 91367

18. TERMINATION:

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from Successor Agency of written notice of default, specifying the nature of such default and the steps necessary to cure such default, Successor Agency may terminate the Agreement forthwith by giving to the Consultant written notice thereof.

Successor Agency shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

19. COMPLIANCES:

Consultant shall comply with all state or federal laws and all ordinances, rules and regulations enacted or issued by Successor Agency.

20. CONFLICT OF LAW:

This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.)

Any suits brought pursuant to this Agreement shall be filed with the courts of the County of Orange, State of California.

21. ADVERTISEMENT:

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Successor Agency

to do otherwise.

22. WAIVER:

A waiver by Successor Agency of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

23. INTEGRATED CONTRACT:

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both Successor Agency and Consultant.

24. INSERTED PROVISIONS:

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.

25. CAPTIONS:

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the day and year first above written.

CONSULTANT
Springsted Incorporated

CITY OF GARDEN GROVE AS
SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT
A Municipal Corporation

By _____
William Reynolds
Western Regional Director

By _____
Matthew J. Fertal
Director

FINANCIAL ADVISORY SERVICES

Sequoia Financial Group LLC

Attachment A

Scope of Services

Generally, the firm will provide advice in the areas of financial planning and management, assistance with rating agencies, debt issuance, and other tasks associated with management of the City of Garden Grove debt capacities which include the City's enterprises, agencies and authorities.

The specific services may include but are not limited to review of the outstanding debt, recommendations for refinancing or refunding issues, and structuring and pricing of bond issues and presentations to various stakeholders including legislative bodies. Project scopes, total fees and timelines will be developed on a project by project basis.

The engagement manager will be Mr. William Reynolds, Western Regional Director of Public Finance for Springsted Incorporated. During the term of the engagement, the firm will continue to monitor its activities for potential conflicts of interest with this engagement.

FINANCIAL ADVISORY SERVICES

Sequoia Financial Group LLC

Attachment B

Fees

The following hourly rates apply for consulting projects, analyses, studies and other unique services requested by the Successor Agency that are not intended to directly result in a financing transaction.

Principal/Managing Director	\$275.00
Associate Director	\$225.00
Senior Associate	\$185.00
Analyst	\$135.00
Clerical/Administrative	\$ 60.00

Direct expenses for airfare are reimbursable at coach rates for travel specifically requested by the City. Any other expenses incurred on behalf of the City of Garden Grove or Successor Agency shall be regarded to be subsumed within the hourly rates for services set forth above. Requests for unusual or for additional services shall receive prior approval from the Finance Director. In no case shall such expenses, not otherwise granted prior written approval, be reimbursed by the City of Garden Grove or Successor Agency.

Fees for assignments that are intended to result in a debt financing are contingent upon the closing of the transaction. Not-to-exceed fees for such transactions including, but not limited to, revenue bonds, certificates of participation, lease revenue bonds, tax allocation bonds and general obligation bonds are charged as follows:

Stand-Alone Issue Size	Competitive Sale	Negotiated Sale
Under \$25,000,000	\$ 40,000	\$ 35,000
\$25,000,001 to \$50,000,000	\$ 55,000	\$ 50,000
\$50,000,001 to \$75,000,000	\$ 70,000	\$ 65,000
\$75,000,001 to \$100,000,000	\$ 90,000	\$ 85,000

Transaction fees on a not to exceed basis contingent upon closing the debt transaction for land-secured financings such as Special Tax Bonds and Assessment District Bonds are charged at 1.5 times the above schedule.

Direct Expenses that may on occasion be granted reimbursable status include but are not limited to, airfare at coach rates, lodging and meals at reimbursement rates not to exceed those in Internal Revenue Service Publication 1542 for the San Francisco area, overnight courier, conference calls and transaction related expenses. If such direct expenses are incurred in the provision of the aforementioned services, they may be reimbursable with prior approval of the Chief Financial Officer, and may be billed in addition to the above transaction fees. Said expenses shall not exceed \$25,000 within a fiscal year.

Assumes Sale of Great Wolf Lodge Project Bonds in 2013

Successor Agency to the Garden Grove Community Development Agency
Great Wolf Lodge Project

Year	Principal	Coupon	Interest	Debt Service
2014			0	0
2015			0	0
2016			2,356,906	2,356,906
2017			2,356,906	2,356,906
2018			2,356,906	2,356,906
2019			2,356,906	2,356,906
2020	2,400,000	5.000%	2,356,906	4,756,906
2021	2,520,000	5.000%	2,236,906	4,756,906
2022	2,645,000	5.000%	2,110,906	4,755,906
2023	2,780,000	5.000%	1,978,656	4,758,656
2024	2,915,000	5.000%	1,839,656	4,754,656
2025	3,060,000	5.000%	1,693,906	4,753,906
2026	3,215,000	5.000%	1,540,906	4,755,906
2027	3,375,000	5.000%	1,380,156	4,755,156
2028	3,545,000	5.000%	1,211,406	4,756,406
2029	3,720,000	5.000%	1,034,156	4,754,156
2030	3,910,000	5.000%	848,156	4,758,156
2031	4,105,000	5.000%	652,656	4,757,656
2032	4,310,000	5.000%	447,406	4,757,406
2033	4,525,000	5.125%	231,906	4,756,906
2034				
2035				
Total	47,025,000		28,991,313	76,016,313
Cap I	0			
OIP	(95,242)			
COI	135,503			
PCF	42,000,000			
DSRF	4,702,500			
UWD	282,150			
Uses	47,024,911			
Contingency	89			
TIC	5.055%			

Assumes Sale of Great Wolf Lodge Project Bonds at Project Completion

Successor Agency to the Garden Grove Community Development Agency
Great Wolf Lodge Project

Year	Principal	Coupon	Interest	Debt Service
2014			0	0
2015			0	0
2016			2,146,443	2,146,443
2017			2,146,443	2,146,443
2018			2,146,443	2,146,443
2019			2,146,443	2,146,443
2020	1,915,000	4.579%	2,146,443	4,061,443
2021	2,050,000	4.579%	2,058,763	4,108,763
2022	2,155,000	4.579%	1,964,902	4,119,902
2023	2,270,000	4.579%	1,866,233	4,136,233
2024	2,385,000	4.579%	1,762,299	4,147,299
2025	2,510,000	4.579%	1,653,100	4,163,100
2026	2,645,000	4.579%	1,538,177	4,183,177
2027	2,780,000	4.579%	1,417,074	4,197,074
2028	2,930,000	4.579%	1,289,789	4,219,789
2029	3,080,000	4.579%	1,155,636	4,235,636
2030	3,245,000	4.579%	1,014,616	4,259,616
2031	3,415,000	4.579%	866,040	4,281,040
2032	3,590,000	4.579%	709,681	4,299,681
2033	3,780,000	4.579%	545,310	4,325,310
2034	3,975,000	4.579%	372,239	4,347,239
2035	4,155,000	4.579%	190,240	4,345,240
Total	46,880,000		29,136,315	76,016,315
Cap I	0			
OIP	0			
COI	250,000			
PCF	42,000,000			
DSRF	4,347,239			
UWD	281,280			
Uses	46,878,519			
Contingency	1,481			
TIC	4.579%			

Successor Agency to the Garden Grove Community Development Agency
Tax Increment, Debt Service and Coverage

<u>Fiscal Year</u> <u>Ending</u>	<u>Tax Increment</u> ⁽¹⁾	<u>Refunding of</u> <u>2003 TABs</u> ⁽³⁾	<u>Union Bank Loan</u> ⁽³⁾	<u>New Money</u> <u>2013 TABs</u>	<u>Total Sr. Lien DS</u>	<u>Sr. Lien</u> <u>Coverage</u>	<u>Katella Loan</u> ⁽⁵⁾	<u>Total Debt</u> <u>Service</u>	<u>Net Available II</u>	<u>Total</u> <u>Coverage</u>
2014	22,065,662	4,187,013 ⁽²⁾	5,101,594	0 ⁽⁴⁾	9,288,606	2.38	178,050	9,466,656	12,599,006	2.33
2015	22,406,876	4,036,875	4,892,438	0 ⁽⁴⁾	8,929,313	2.51	178,400	9,107,713	13,299,164	2.46
2016	22,721,203	4,037,575	4,683,281	1,322,172 ⁽⁴⁾	10,043,028	2.26	178,450	10,221,478	12,499,725	2.22
2017	23,040,819	4,036,175	4,474,125	2,644,344	11,154,644	2.07	178,200	11,332,844	11,707,975	2.03
2018	23,366,826	4,037,600	4,264,969	2,644,344	10,946,913	2.13	177,650	11,124,563	12,242,263	2.10
2019	23,699,352	4,011,125	4,055,813	2,644,344	10,711,281	2.21	176,800	10,888,081	12,811,271	2.18
2020	24,038,529	4,004,750	3,846,656	2,644,344	10,495,750	2.29	175,650	10,671,400	13,367,129	2.25
2021	24,384,488	4,001,875	0	5,267,094	9,268,969	2.63	179,050	9,448,019	14,936,470	2.58
2022	24,737,367	3,997,125	0	5,264,219	9,261,344	2.67	177,000	9,438,344	15,299,023	2.62
2023	25,097,302	3,990,250	0	5,264,344	9,254,594	2.71	179,500	9,434,094	15,663,208	2.66
2024	25,452,473	3,990,750	0	5,257,219	9,247,969	2.75	176,550	9,424,519	16,027,955	2.70
2025	25,814,748	3,988,125	0	5,252,594	9,240,719	2.79	178,150	9,418,869	16,395,879	2.74
2026	26,184,267	2,480,625	0	5,249,969	7,730,594	3.39	174,300	7,904,894	18,279,373	3.31
2027	26,381,786	2,382,250	0	5,248,844	7,631,094	3.46	175,000	7,806,094	18,575,692	3.38
2028	18,434,748	1,952,125	0	5,243,844	7,195,969	2.56	175,100	7,371,069	11,063,679	2.50
2029	18,483,251	1,841,000	0	5,239,594	7,080,594	2.61	0	7,080,594	11,402,657	2.61
2030	17,417,126	1,809,125	0	5,230,719	7,039,844	2.47	0	7,039,844	10,377,282	2.47
2031	16,927,707	0	0	5,226,719	5,226,719	3.24	0	5,226,719	11,700,989	3.24
2032	7,632,828	0	0	5,221,969	5,221,969	1.46	0	5,221,969	2,410,860	1.46
2033	7,827,642	0	0	5,215,969	5,215,969	1.50	0	5,215,969	2,611,674	1.50
2034	8,023,571	0	0	5,205,047	5,205,047	1.54	0	5,205,047	2,818,524	1.54
Total	434,138,572	58,784,363	31,318,875	85,287,688	175,390,925		2,657,850	178,048,775	256,089,796	

(1) Tax Increment shown based on HdL projections.

(2) Includes debt service assumed to be paid on 2003 TABs due 10/1/13 prior to refunding.

(3) Assumes LIBOR at cap rate of 5.00% + 75 bps for the life of the Loan.

(4) Assumes interest is capitalized through October 1, 2015.

(5) Although listed on the Agency's ROPS, it is our understanding that the Katella Loan is actually paid from sources other than tax increment.

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Total Issue Sources And Uses

Dated 10/01/2013 | Delivered 10/01/2013

	Refunding of 2003 Bonds	New Money	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$39,730,000.00	\$52,760,000.00	\$92,490,000.00
Reoffering Premium	2,549,757.60	106,794.60	2,656,552.20
Transfers from Prior Issue DSR Funds	4,386,888.00	-	4,386,888.00
Total Sources	\$46,666,645.60	\$52,866,794.60	\$99,533,440.20
Uses Of Funds			
Total Underwriter's Discount (0.600%)	238,380.00	316,560.00	554,940.00
Costs of Issuance	107,389.99	142,610.01	250,000.00
Deposit to Debt Service Reserve Fund (DSRF)	3,973,000.00	5,276,000.00	9,249,000.00
Deposit to Capitalized Interest (CIF) Fund	-	5,132,160.61	5,132,160.61
Deposit to Project Construction Fund	-	42,000,000.00	42,000,000.00
Deposit to Current Refunding Fund	42,345,000.00	-	42,345,000.00
Rounding Amount	2,875.61	(536.02)	2,339.59
Total Uses	\$46,666,645.60	\$52,866,794.60	\$99,533,440.20

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
10/01/2014	2,275,000.00	3.000%	4,440,343.76	6,715,343.76
10/01/2015	2,345,000.00	3.000%	4,372,093.76	6,717,093.76
10/01/2016	2,415,000.00	3.000%	4,301,743.76	6,716,743.76
10/01/2017	2,490,000.00	3.000%	4,229,293.76	6,719,293.76
10/01/2018	2,565,000.00	5.000%	4,154,593.76	6,719,593.76
10/01/2019	2,690,000.00	5.000%	4,026,343.76	6,716,343.76
10/01/2020	5,515,000.00	5.000%	3,891,843.76	9,406,843.76
10/01/2021	5,790,000.00	5.000%	3,616,093.76	9,406,093.76
10/01/2022	6,080,000.00	5.000%	3,326,593.76	9,406,593.76
10/01/2023	6,385,000.00	5.000%	3,022,593.76	9,407,593.76
10/01/2024	6,705,000.00	5.000%	2,703,343.76	9,408,343.76
10/01/2025	5,500,000.00	5.000%	2,368,093.76	7,868,093.76
10/01/2026	5,680,000.00	5.000%	2,093,093.76	7,773,093.76
10/01/2027	5,525,000.00	5.000%	1,809,093.76	7,334,093.76
10/01/2028	5,690,000.00	5.000%	1,532,843.76	7,222,843.76
10/01/2029	5,940,000.00	5.000%	1,248,343.76	7,188,343.76
10/01/2030	4,385,000.00	5.000%	951,343.76	5,336,343.76
10/01/2031	4,605,000.00	5.000%	732,093.76	5,337,093.76
10/01/2032	4,835,000.00	5.000%	501,843.76	5,336,843.76
10/01/2033	5,075,000.00	5.125%	260,093.76	5,335,093.76
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20

Yield Statistics

Bond Year Dollars	\$1,078,765.00
Average Life	11.664 Years
Average Coupon	4.9669507%
Net Interest Cost (NIC)	4.7721342%
True Interest Cost (TIC)	4.6882028%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	4.7192870%

IRS Form 8038

Net Interest Cost	4.6515700%
Weighted Average Maturity	11.506 Years

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
04/01/2014	-	-	2,220,171.88	2,220,171.88
10/01/2014	2,275,000.00	3.000%	2,220,171.88	4,495,171.88
04/01/2015	-	-	2,186,046.88	2,186,046.88
10/01/2015	2,345,000.00	3.000%	2,186,046.88	4,531,046.88
04/01/2016	-	-	2,150,871.88	2,150,871.88
10/01/2016	2,415,000.00	3.000%	2,150,871.88	4,565,871.88
04/01/2017	-	-	2,114,646.88	2,114,646.88
10/01/2017	2,490,000.00	3.000%	2,114,646.88	4,604,646.88
04/01/2018	-	-	2,077,296.88	2,077,296.88
10/01/2018	2,565,000.00	5.000%	2,077,296.88	4,642,296.88
04/01/2019	-	-	2,013,171.88	2,013,171.88
10/01/2019	2,690,000.00	5.000%	2,013,171.88	4,703,171.88
04/01/2020	-	-	1,945,921.88	1,945,921.88
10/01/2020	5,515,000.00	5.000%	1,945,921.88	7,460,921.88
04/01/2021	-	-	1,808,046.88	1,808,046.88
10/01/2021	5,790,000.00	5.000%	1,808,046.88	7,598,046.88
04/01/2022	-	-	1,663,296.88	1,663,296.88
10/01/2022	6,080,000.00	5.000%	1,663,296.88	7,743,296.88
04/01/2023	-	-	1,511,296.88	1,511,296.88
10/01/2023	6,385,000.00	5.000%	1,511,296.88	7,896,296.88
04/01/2024	-	-	1,351,671.88	1,351,671.88
10/01/2024	6,705,000.00	5.000%	1,351,671.88	8,056,671.88
04/01/2025	-	-	1,184,046.88	1,184,046.88
10/01/2025	5,500,000.00	5.000%	1,184,046.88	6,684,046.88
04/01/2026	-	-	1,046,546.88	1,046,546.88
10/01/2026	5,680,000.00	5.000%	1,046,546.88	6,726,546.88
04/01/2027	-	-	904,546.88	904,546.88
10/01/2027	5,525,000.00	5.000%	904,546.88	6,429,546.88
04/01/2028	-	-	766,421.88	766,421.88
10/01/2028	5,690,000.00	5.000%	766,421.88	6,456,421.88
04/01/2029	-	-	624,171.88	624,171.88
10/01/2029	5,940,000.00	5.000%	624,171.88	6,564,171.88
04/01/2030	-	-	475,671.88	475,671.88
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88
04/01/2031	-	-	366,046.88	366,046.88
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88
04/01/2032	-	-	250,921.88	250,921.88
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88
04/01/2033	-	-	130,046.88	130,046.88
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$1,078,765.00
Average Life	11.664 Years
Average Coupon	4.9669507%
Net Interest Cost (NIC)	4.7721342%
True Interest Cost (TIC)	4.6882028%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	4.7192870%

IRS Form 8038

Net Interest Cost	4.6515700%
Weighted Average Maturity	11.506 Years

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2013	-	-	-	-	-
04/01/2014	-	-	2,220,171.88	2,220,171.88	-
08/01/2014	-	-	-	-	2,220,171.88
10/01/2014	2,275,000.00	3.000%	2,220,171.88	4,495,171.88	-
04/01/2015	-	-	2,186,046.88	2,186,046.88	-
08/01/2015	-	-	-	-	6,681,218.76
10/01/2015	2,345,000.00	3.000%	2,186,046.88	4,531,046.88	-
04/01/2016	-	-	2,150,871.88	2,150,871.88	-
08/01/2016	-	-	-	-	6,681,918.76
10/01/2016	2,415,000.00	3.000%	2,150,871.88	4,565,871.88	-
04/01/2017	-	-	2,114,646.88	2,114,646.88	-
08/01/2017	-	-	-	-	6,680,518.76
10/01/2017	2,490,000.00	3.000%	2,114,646.88	4,604,646.88	-
04/01/2018	-	-	2,077,296.88	2,077,296.88	-
08/01/2018	-	-	-	-	6,681,943.76
10/01/2018	2,565,000.00	5.000%	2,077,296.88	4,642,296.88	-
04/01/2019	-	-	2,013,171.88	2,013,171.88	-
08/01/2019	-	-	-	-	6,655,468.76
10/01/2019	2,690,000.00	5.000%	2,013,171.88	4,703,171.88	-
04/01/2020	-	-	1,945,921.88	1,945,921.88	-
08/01/2020	-	-	-	-	6,649,093.76
10/01/2020	5,515,000.00	5.000%	1,945,921.88	7,460,921.88	-
04/01/2021	-	-	1,808,046.88	1,808,046.88	-
08/01/2021	-	-	-	-	9,268,968.76
10/01/2021	5,790,000.00	5.000%	1,808,046.88	7,598,046.88	-
04/01/2022	-	-	1,663,296.88	1,663,296.88	-
08/01/2022	-	-	-	-	9,261,343.76
10/01/2022	6,080,000.00	5.000%	1,663,296.88	7,743,296.88	-
04/01/2023	-	-	1,511,296.88	1,511,296.88	-
08/01/2023	-	-	-	-	9,254,593.76
10/01/2023	6,385,000.00	5.000%	1,511,296.88	7,896,296.88	-
04/01/2024	-	-	1,351,671.88	1,351,671.88	-
08/01/2024	-	-	-	-	9,247,968.76
10/01/2024	6,705,000.00	5.000%	1,351,671.88	8,056,671.88	-
04/01/2025	-	-	1,184,046.88	1,184,046.88	-
08/01/2025	-	-	-	-	9,240,718.76
10/01/2025	5,500,000.00	5.000%	1,184,046.88	6,684,046.88	-
04/01/2026	-	-	1,046,546.88	1,046,546.88	-
08/01/2026	-	-	-	-	7,730,593.76
10/01/2026	5,680,000.00	5.000%	1,046,546.88	6,726,546.88	-
04/01/2027	-	-	904,546.88	904,546.88	-
08/01/2027	-	-	-	-	7,631,093.76
10/01/2027	5,525,000.00	5.000%	904,546.88	6,429,546.88	-
04/01/2028	-	-	766,421.88	766,421.88	-

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2028	-	-	-	-	7,195,968.76
10/01/2028	5,690,000.00	5.000%	766,421.88	6,456,421.88	-
04/01/2029	-	-	624,171.88	624,171.88	-
08/01/2029	-	-	-	-	7,080,593.76
10/01/2029	5,940,000.00	5.000%	624,171.88	6,564,171.88	-
04/01/2030	-	-	475,671.88	475,671.88	-
08/01/2030	-	-	-	-	7,039,843.76
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88	-
04/01/2031	-	-	366,046.88	366,046.88	-
08/01/2031	-	-	-	-	5,226,718.76
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88	-
04/01/2032	-	-	250,921.88	250,921.88	-
08/01/2032	-	-	-	-	5,221,968.76
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88	-
04/01/2033	-	-	130,046.88	130,046.88	-
08/01/2033	-	-	-	-	5,215,968.76
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88	-
08/01/2034	-	-	-	-	5,205,046.88
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20	-

Yield Statistics

Bond Year Dollars	\$1,078,765.00
Average Life	11.664 Years
Average Coupon	4.9669507%
Net Interest Cost (NIC)	4.7721342%
True Interest Cost (TIC)	4.6882028%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	4.7192870%

IRS Form 8038

Net Interest Cost	4.6515700%
Weighted Average Maturity	11.506 Years

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
10/01/2013	-	-	-	-	-	-	-
10/01/2014	2,275,000.00	3.000%	4,440,343.76	6,715,343.76	-	(2,644,343.76)	4,071,000.00
10/01/2015	2,345,000.00	3.000%	4,372,093.76	6,717,093.76	-	(2,644,343.76)	4,072,750.00
10/01/2016	2,415,000.00	3.000%	4,301,743.76	6,716,743.76	(73,163.10)	-	6,643,580.66
10/01/2017	2,490,000.00	3.000%	4,229,293.76	6,719,293.76	(73,163.10)	-	6,646,130.66
10/01/2018	2,565,000.00	5.000%	4,154,593.76	6,719,593.76	(73,163.10)	-	6,646,430.66
10/01/2019	2,690,000.00	5.000%	4,026,343.76	6,716,343.76	(73,163.10)	-	6,643,180.66
10/01/2020	5,515,000.00	5.000%	3,891,843.76	9,406,843.76	(73,163.10)	-	9,333,680.66
10/01/2021	5,790,000.00	5.000%	3,616,093.76	9,406,093.76	(73,163.10)	-	9,332,930.66
10/01/2022	6,080,000.00	5.000%	3,326,593.76	9,406,593.76	(73,163.10)	-	9,333,430.66
10/01/2023	6,385,000.00	5.000%	3,022,593.76	9,407,593.76	(73,163.10)	-	9,334,430.66
10/01/2024	6,705,000.00	5.000%	2,703,343.76	9,408,343.76	(73,163.10)	-	9,335,180.66
10/01/2025	5,500,000.00	5.000%	2,368,093.76	7,868,093.76	(73,163.10)	-	7,794,930.66
10/01/2026	5,680,000.00	5.000%	2,093,093.76	7,773,093.76	(73,163.10)	-	7,699,930.66
10/01/2027	5,525,000.00	5.000%	1,809,093.76	7,334,093.76	(73,163.10)	-	7,260,930.66
10/01/2028	5,690,000.00	5.000%	1,532,843.76	7,222,843.76	(73,163.10)	-	7,149,680.66
10/01/2029	5,940,000.00	5.000%	1,248,343.76	7,188,343.76	(4,046,163.10)	-	3,142,180.66
10/01/2030	4,385,000.00	5.000%	951,343.76	5,336,343.76	(17,938.40)	-	5,318,405.36
10/01/2031	4,605,000.00	5.000%	732,093.76	5,337,093.76	(17,938.40)	-	5,319,155.36
10/01/2032	4,835,000.00	5.000%	501,843.76	5,336,843.76	(17,938.40)	-	5,318,905.36
10/01/2033	5,075,000.00	5.125%	260,093.76	5,335,093.76	(5,293,938.40)	-	41,155.36
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20	(10,345,037.00)	(5,288,687.52)	\$130,438,000.68

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
10/01/2013	-	-	-	-	-	-	-
04/01/2014	-	-	2,220,171.88	2,220,171.88	-	(1,322,171.88)	898,000.00
10/01/2014	2,275,000.00	3.000%	2,220,171.88	4,495,171.88	-	(1,322,171.88)	3,173,000.00
04/01/2015	-	-	2,186,046.88	2,186,046.88	-	(1,322,171.88)	863,875.00
10/01/2015	2,345,000.00	3.000%	2,186,046.88	4,531,046.88	-	(1,322,171.88)	3,208,875.00
04/01/2016	-	-	2,150,871.88	2,150,871.88	(36,581.55)	-	2,114,290.33
10/01/2016	2,415,000.00	3.000%	2,150,871.88	4,565,871.88	(36,581.55)	-	4,529,290.33
04/01/2017	-	-	2,114,646.88	2,114,646.88	(36,581.55)	-	2,078,065.33
10/01/2017	2,490,000.00	3.000%	2,114,646.88	4,604,646.88	(36,581.55)	-	4,568,065.33
04/01/2018	-	-	2,077,296.88	2,077,296.88	(36,581.55)	-	2,040,715.33
10/01/2018	2,565,000.00	5.000%	2,077,296.88	4,642,296.88	(36,581.55)	-	4,605,715.33
04/01/2019	-	-	2,013,171.88	2,013,171.88	(36,581.55)	-	1,976,590.33
10/01/2019	2,690,000.00	5.000%	2,013,171.88	4,703,171.88	(36,581.55)	-	4,666,590.33
04/01/2020	-	-	1,945,921.88	1,945,921.88	(36,581.55)	-	1,909,340.33
10/01/2020	5,515,000.00	5.000%	1,945,921.88	7,460,921.88	(36,581.55)	-	7,424,340.33
04/01/2021	-	-	1,808,046.88	1,808,046.88	(36,581.55)	-	1,771,465.33
10/01/2021	5,790,000.00	5.000%	1,808,046.88	7,598,046.88	(36,581.55)	-	7,561,465.33
04/01/2022	-	-	1,663,296.88	1,663,296.88	(36,581.55)	-	1,626,715.33
10/01/2022	6,080,000.00	5.000%	1,663,296.88	7,743,296.88	(36,581.55)	-	7,706,715.33
04/01/2023	-	-	1,511,296.88	1,511,296.88	(36,581.55)	-	1,474,715.33
10/01/2023	6,385,000.00	5.000%	1,511,296.88	7,896,296.88	(36,581.55)	-	7,859,715.33
04/01/2024	-	-	1,351,671.88	1,351,671.88	(36,581.55)	-	1,315,090.33
10/01/2024	6,705,000.00	5.000%	1,351,671.88	8,056,671.88	(36,581.55)	-	8,020,090.33
04/01/2025	-	-	1,184,046.88	1,184,046.88	(36,581.55)	-	1,147,465.33
10/01/2025	5,500,000.00	5.000%	1,184,046.88	6,684,046.88	(36,581.55)	-	6,647,465.33
04/01/2026	-	-	1,046,546.88	1,046,546.88	(36,581.55)	-	1,009,965.33
10/01/2026	5,680,000.00	5.000%	1,046,546.88	6,726,546.88	(36,581.55)	-	6,689,965.33
04/01/2027	-	-	904,546.88	904,546.88	(36,581.55)	-	867,965.33
10/01/2027	5,525,000.00	5.000%	904,546.88	6,429,546.88	(36,581.55)	-	6,392,965.33
04/01/2028	-	-	766,421.88	766,421.88	(36,581.55)	-	729,840.33
10/01/2028	5,690,000.00	5.000%	766,421.88	6,456,421.88	(36,581.55)	-	6,419,840.33
04/01/2029	-	-	624,171.88	624,171.88	(36,581.55)	-	587,590.33
10/01/2029	5,940,000.00	5.000%	624,171.88	6,564,171.88	(4,009,581.55)	-	2,554,590.33
04/01/2030	-	-	475,671.88	475,671.88	(8,969.20)	-	466,702.68
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88	(8,969.20)	-	4,851,702.68
04/01/2031	-	-	366,046.88	366,046.88	(8,969.20)	-	357,077.68
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88	(8,969.20)	-	4,962,077.68
04/01/2032	-	-	250,921.88	250,921.88	(8,969.20)	-	241,952.68
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88	(8,969.20)	-	5,076,952.68
04/01/2033	-	-	130,046.88	130,046.88	(8,969.20)	-	121,077.68
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88	(5,284,969.20)	-	(79,922.32)
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20	(10,345,037.00)	(5,288,687.52)	\$130,438,000.68

Successor Agency to the Garden Grove Agency for Community Development
2013 Tax Allocation Bonds

Net Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
04/01/2014	-	-	2,220,171.88	2,220,171.88
08/01/2014	-	-	-	-
10/01/2014	2,275,000.00	3.000%	2,220,171.88	4,495,171.88
04/01/2015	-	-	2,186,046.88	2,186,046.88
08/01/2015	-	-	-	-
10/01/2015	2,345,000.00	3.000%	2,186,046.88	4,531,046.88
04/01/2016	-	-	2,150,871.88	2,150,871.88
08/01/2016	-	-	-	-
10/01/2016	2,415,000.00	3.000%	2,150,871.88	4,565,871.88
04/01/2017	-	-	2,114,646.88	2,114,646.88
08/01/2017	-	-	-	-
10/01/2017	2,490,000.00	3.000%	2,114,646.88	4,604,646.88
04/01/2018	-	-	2,077,296.88	2,077,296.88
08/01/2018	-	-	-	-
10/01/2018	2,565,000.00	5.000%	2,077,296.88	4,642,296.88
04/01/2019	-	-	2,013,171.88	2,013,171.88
08/01/2019	-	-	-	-
10/01/2019	2,690,000.00	5.000%	2,013,171.88	4,703,171.88
04/01/2020	-	-	1,945,921.88	1,945,921.88
08/01/2020	-	-	-	-
10/01/2020	5,515,000.00	5.000%	1,945,921.88	7,460,921.88
04/01/2021	-	-	1,808,046.88	1,808,046.88
08/01/2021	-	-	-	-
10/01/2021	5,790,000.00	5.000%	1,808,046.88	7,598,046.88
04/01/2022	-	-	1,663,296.88	1,663,296.88
08/01/2022	-	-	-	-
10/01/2022	6,080,000.00	5.000%	1,663,296.88	7,743,296.88
04/01/2023	-	-	1,511,296.88	1,511,296.88
08/01/2023	-	-	-	-
10/01/2023	6,385,000.00	5.000%	1,511,296.88	7,896,296.88
04/01/2024	-	-	1,351,671.88	1,351,671.88
08/01/2024	-	-	-	-
10/01/2024	6,705,000.00	5.000%	1,351,671.88	8,056,671.88
04/01/2025	-	-	1,184,046.88	1,184,046.88
08/01/2025	-	-	-	-
10/01/2025	5,500,000.00	5.000%	1,184,046.88	6,684,046.88
04/01/2026	-	-	1,046,546.88	1,046,546.88
08/01/2026	-	-	-	-
10/01/2026	5,680,000.00	5.000%	1,046,546.88	6,726,546.88
04/01/2027	-	-	904,546.88	904,546.88
08/01/2027	-	-	-	-
10/01/2027	5,525,000.00	5.000%	904,546.88	6,429,546.88
04/01/2028	-	-	766,421.88	766,421.88

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

Net Debt Service Schedule

Part 2 of 4

Date	DSR	CIF	Net New D/S	Fiscal Total
10/01/2013	-	-	-	-
04/01/2014	-	(1,322,171.88)	898,000.00	-
08/01/2014	-	-	-	898,000.00
10/01/2014	-	(1,322,171.88)	3,173,000.00	-
04/01/2015	-	(1,322,171.88)	863,875.00	-
08/01/2015	-	-	-	4,036,875.00
10/01/2015	-	(1,322,171.88)	3,208,875.00	-
04/01/2016	(36,581.55)	-	2,114,290.33	-
08/01/2016	-	-	-	5,323,165.33
10/01/2016	(36,581.55)	-	4,529,290.33	-
04/01/2017	(36,581.55)	-	2,078,065.33	-
08/01/2017	-	-	-	6,607,355.66
10/01/2017	(36,581.55)	-	4,568,065.33	-
04/01/2018	(36,581.55)	-	2,040,715.33	-
08/01/2018	-	-	-	6,608,780.66
10/01/2018	(36,581.55)	-	4,605,715.33	-
04/01/2019	(36,581.55)	-	1,976,590.33	-
08/01/2019	-	-	-	6,582,305.66
10/01/2019	(36,581.55)	-	4,666,590.33	-
04/01/2020	(36,581.55)	-	1,909,340.33	-
08/01/2020	-	-	-	6,575,930.66
10/01/2020	(36,581.55)	-	7,424,340.33	-
04/01/2021	(36,581.55)	-	1,771,465.33	-
08/01/2021	-	-	-	9,195,805.66
10/01/2021	(36,581.55)	-	7,561,465.33	-
04/01/2022	(36,581.55)	-	1,626,715.33	-
08/01/2022	-	-	-	9,188,180.66
10/01/2022	(36,581.55)	-	7,706,715.33	-
04/01/2023	(36,581.55)	-	1,474,715.33	-
08/01/2023	-	-	-	9,181,430.66
10/01/2023	(36,581.55)	-	7,859,715.33	-
04/01/2024	(36,581.55)	-	1,315,090.33	-
08/01/2024	-	-	-	9,174,805.66
10/01/2024	(36,581.55)	-	8,020,090.33	-
04/01/2025	(36,581.55)	-	1,147,465.33	-
08/01/2025	-	-	-	9,167,555.66
10/01/2025	(36,581.55)	-	6,647,465.33	-
04/01/2026	(36,581.55)	-	1,009,965.33	-
08/01/2026	-	-	-	7,657,430.66
10/01/2026	(36,581.55)	-	6,689,965.33	-
04/01/2027	(36,581.55)	-	867,965.33	-
08/01/2027	-	-	-	7,557,930.66
10/01/2027	(36,581.55)	-	6,392,965.33	-
04/01/2028	(36,581.55)	-	729,840.33	-

Successor Agency to the Garden Grove Agency for Community Development
2013 Tax Allocation Bonds

Net Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I
08/01/2028	-	-	-	-
10/01/2028	5,690,000.00	5.000%	766,421.88	6,456,421.88
04/01/2029	-	-	624,171.88	624,171.88
08/01/2029	-	-	-	-
10/01/2029	5,940,000.00	5.000%	624,171.88	6,564,171.88
04/01/2030	-	-	475,671.88	475,671.88
08/01/2030	-	-	-	-
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88
04/01/2031	-	-	366,046.88	366,046.88
08/01/2031	-	-	-	-
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88
04/01/2032	-	-	250,921.88	250,921.88
08/01/2032	-	-	-	-
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88
04/01/2033	-	-	130,046.88	130,046.88
08/01/2033	-	-	-	-
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88
08/01/2034	-	-	-	-
Total	\$92,490,000.00	-	\$53,581,725.20	\$146,071,725.20

Successor Agency to the Garden Grove Agency for Community Development
2013 Tax Allocation Bonds

Net Debt Service Schedule

Part 4 of 4

Date	DSR	CIF	Net New D/S	Fiscal Total
08/01/2028	-	-	-	7,122,805.66
10/01/2028	(36,581.55)	-	6,419,840.33	-
04/01/2029	(36,581.55)	-	587,590.33	-
08/01/2029	-	-	-	7,007,430.66
10/01/2029	(4,009,581.55)	-	2,554,590.33	-
04/01/2030	(8,969.20)	-	466,702.68	-
08/01/2030	-	-	-	3,021,293.01
10/01/2030	(8,969.20)	-	4,851,702.68	-
04/01/2031	(8,969.20)	-	357,077.68	-
08/01/2031	-	-	-	5,208,780.36
10/01/2031	(8,969.20)	-	4,962,077.68	-
04/01/2032	(8,969.20)	-	241,952.68	-
08/01/2032	-	-	-	5,204,030.36
10/01/2032	(8,969.20)	-	5,076,952.68	-
04/01/2033	(8,969.20)	-	121,077.68	-
08/01/2033	-	-	-	5,198,030.36
10/01/2033	(5,284,969.20)	-	(79,922.32)	-
08/01/2034	-	-	-	(79,922.32)
Total	(10,345,037.00)	(5,288,687.52)	\$130,438,000.68	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Sources & Uses

Dated 10/01/2013 | Delivered 10/01/2013

Sources Of Funds

Par Amount of Bonds	\$39,730,000.00
Reoffering Premium	2,549,757.60
Transfers from Prior Issue DSR Funds	4,386,888.00
Total Sources	\$46,666,645.60

Uses Of Funds

Total Underwriter's Discount (0.600%)	238,380.00
Costs of Issuance	107,389.99
Deposit to Debt Service Reserve Fund (DSRF)	3,973,000.00
Deposit to Current Refunding Fund	42,345,000.00
Rounding Amount	2,875.61
Total Uses	\$46,666,645.60

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
10/01/2014	2,275,000.00	3.000%	1,796,000.00	4,071,000.00
10/01/2015	2,345,000.00	3.000%	1,727,750.00	4,072,750.00
10/01/2016	2,415,000.00	3.000%	1,657,400.00	4,072,400.00
10/01/2017	2,490,000.00	3.000%	1,584,950.00	4,074,950.00
10/01/2018	2,565,000.00	5.000%	1,510,250.00	4,075,250.00
10/01/2019	2,690,000.00	5.000%	1,382,000.00	4,072,000.00
10/01/2020	2,825,000.00	5.000%	1,247,500.00	4,072,500.00
10/01/2021	2,965,000.00	5.000%	1,106,250.00	4,071,250.00
10/01/2022	3,110,000.00	5.000%	958,000.00	4,068,000.00
10/01/2023	3,270,000.00	5.000%	802,500.00	4,072,500.00
10/01/2024	3,435,000.00	5.000%	639,000.00	4,074,000.00
10/01/2025	2,065,000.00	5.000%	467,250.00	2,532,250.00
10/01/2026	2,070,000.00	5.000%	364,000.00	2,434,000.00
10/01/2027	1,735,000.00	5.000%	260,500.00	1,995,500.00
10/01/2028	1,710,000.00	5.000%	173,750.00	1,883,750.00
10/01/2029	1,765,000.00	5.000%	88,250.00	1,853,250.00
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00

Yield Statistics

Bond Year Dollars	\$324,975.00
Average Life	8.180 Years
Average Coupon	4.8512501%
Net Interest Cost (NIC)	4.1400023%
True Interest Cost (TIC)	3.9578931%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	3.9966289%

IRS Form 8038

Net Interest Cost	3.8405614%
Weighted Average Maturity	8.139 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development
2013 Refunding Tax Allocation Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
04/01/2014	-	-	898,000.00	898,000.00
10/01/2014	2,275,000.00	3.000%	898,000.00	3,173,000.00
04/01/2015	-	-	863,875.00	863,875.00
10/01/2015	2,345,000.00	3.000%	863,875.00	3,208,875.00
04/01/2016	-	-	828,700.00	828,700.00
10/01/2016	2,415,000.00	3.000%	828,700.00	3,243,700.00
04/01/2017	-	-	792,475.00	792,475.00
10/01/2017	2,490,000.00	3.000%	792,475.00	3,282,475.00
04/01/2018	-	-	755,125.00	755,125.00
10/01/2018	2,565,000.00	5.000%	755,125.00	3,320,125.00
04/01/2019	-	-	691,000.00	691,000.00
10/01/2019	2,690,000.00	5.000%	691,000.00	3,381,000.00
04/01/2020	-	-	623,750.00	623,750.00
10/01/2020	2,825,000.00	5.000%	623,750.00	3,448,750.00
04/01/2021	-	-	553,125.00	553,125.00
10/01/2021	2,965,000.00	5.000%	553,125.00	3,518,125.00
04/01/2022	-	-	479,000.00	479,000.00
10/01/2022	3,110,000.00	5.000%	479,000.00	3,589,000.00
04/01/2023	-	-	401,250.00	401,250.00
10/01/2023	3,270,000.00	5.000%	401,250.00	3,671,250.00
04/01/2024	-	-	319,500.00	319,500.00
10/01/2024	3,435,000.00	5.000%	319,500.00	3,754,500.00
04/01/2025	-	-	233,625.00	233,625.00
10/01/2025	2,065,000.00	5.000%	233,625.00	2,298,625.00
04/01/2026	-	-	182,000.00	182,000.00
10/01/2026	2,070,000.00	5.000%	182,000.00	2,252,000.00
04/01/2027	-	-	130,250.00	130,250.00
10/01/2027	1,735,000.00	5.000%	130,250.00	1,865,250.00
04/01/2028	-	-	86,875.00	86,875.00
10/01/2028	1,710,000.00	5.000%	86,875.00	1,796,875.00
04/01/2029	-	-	44,125.00	44,125.00
10/01/2029	1,765,000.00	5.000%	44,125.00	1,809,125.00
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$324,975.00
Average Life	8.180 Years
Average Coupon	4.8512501%
Net Interest Cost (NIC)	4.1400023%
True Interest Cost (TIC)	3.9578931%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	3.9966289%

IRS Form 8038

Net Interest Cost	3.8405614%
Weighted Average Maturity	8.139 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2013	-	-	-	-	-
04/01/2014	-	-	898,000.00	898,000.00	-
06/30/2014	-	-	-	-	898,000.00
10/01/2014	2,275,000.00	3.000%	898,000.00	3,173,000.00	-
04/01/2015	-	-	863,875.00	863,875.00	-
06/30/2015	-	-	-	-	4,036,875.00
10/01/2015	2,345,000.00	3.000%	863,875.00	3,208,875.00	-
04/01/2016	-	-	828,700.00	828,700.00	-
06/30/2016	-	-	-	-	4,037,575.00
10/01/2016	2,415,000.00	3.000%	828,700.00	3,243,700.00	-
04/01/2017	-	-	792,475.00	792,475.00	-
06/30/2017	-	-	-	-	4,036,175.00
10/01/2017	2,490,000.00	3.000%	792,475.00	3,282,475.00	-
04/01/2018	-	-	755,125.00	755,125.00	-
06/30/2018	-	-	-	-	4,037,600.00
10/01/2018	2,565,000.00	5.000%	755,125.00	3,320,125.00	-
04/01/2019	-	-	691,000.00	691,000.00	-
06/30/2019	-	-	-	-	4,011,125.00
10/01/2019	2,690,000.00	5.000%	691,000.00	3,381,000.00	-
04/01/2020	-	-	623,750.00	623,750.00	-
06/30/2020	-	-	-	-	4,004,750.00
10/01/2020	2,825,000.00	5.000%	623,750.00	3,448,750.00	-
04/01/2021	-	-	553,125.00	553,125.00	-
06/30/2021	-	-	-	-	4,001,875.00
10/01/2021	2,965,000.00	5.000%	553,125.00	3,518,125.00	-
04/01/2022	-	-	479,000.00	479,000.00	-
06/30/2022	-	-	-	-	3,997,125.00
10/01/2022	3,110,000.00	5.000%	479,000.00	3,589,000.00	-
04/01/2023	-	-	401,250.00	401,250.00	-
06/30/2023	-	-	-	-	3,990,250.00
10/01/2023	3,270,000.00	5.000%	401,250.00	3,671,250.00	-
04/01/2024	-	-	319,500.00	319,500.00	-
06/30/2024	-	-	-	-	3,990,750.00
10/01/2024	3,435,000.00	5.000%	319,500.00	3,754,500.00	-
04/01/2025	-	-	233,625.00	233,625.00	-
06/30/2025	-	-	-	-	3,988,125.00
10/01/2025	2,065,000.00	5.000%	233,625.00	2,298,625.00	-
04/01/2026	-	-	182,000.00	182,000.00	-
06/30/2026	-	-	-	-	2,480,625.00
10/01/2026	2,070,000.00	5.000%	182,000.00	2,252,000.00	-
04/01/2027	-	-	130,250.00	130,250.00	-
06/30/2027	-	-	-	-	2,382,250.00
10/01/2027	1,735,000.00	5.000%	130,250.00	1,865,250.00	-
04/01/2028	-	-	86,875.00	86,875.00	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2028	-	-	-	-	1,952,125.00
10/01/2028	1,710,000.00	5.000%	86,875.00	1,796,875.00	-
04/01/2029	-	-	44,125.00	44,125.00	-
06/30/2029	-	-	-	-	1,841,000.00
10/01/2029	1,765,000.00	5.000%	44,125.00	1,809,125.00	-
06/30/2030	-	-	-	-	1,809,125.00
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00	-

Yield Statistics

Bond Year Dollars	\$324,975.00
Average Life	8.180 Years
Average Coupon	4.8512501%
Net Interest Cost (NIC)	4.1400023%
True Interest Cost (TIC)	3.9578931%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	3.9966289%

IRS Form 8038

Net Interest Cost	3.8405614%
Weighted Average Maturity	8.139 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Comparison

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
10/01/2013	-	-	-	-	-
10/01/2014	4,071,000.00	-	4,071,000.00	4,383,025.00	312,025.00
10/01/2015	4,072,750.00	-	4,072,750.00	4,382,787.50	310,037.50
10/01/2016	4,072,400.00	(55,224.70)	4,017,175.30	4,381,512.50	364,337.20
10/01/2017	4,074,950.00	(55,224.70)	4,019,725.30	4,383,937.50	364,212.20
10/01/2018	4,075,250.00	(55,224.70)	4,020,025.30	4,386,337.50	366,312.20
10/01/2019	4,072,000.00	(55,224.70)	4,016,775.30	4,381,212.50	364,437.20
10/01/2020	4,072,500.00	(55,224.70)	4,017,275.30	4,383,562.50	366,287.20
10/01/2021	4,071,250.00	(55,224.70)	4,016,025.30	4,382,581.26	366,555.96
10/01/2022	4,068,000.00	(55,224.70)	4,012,775.30	4,378,000.00	365,224.70
10/01/2023	4,072,500.00	(55,224.70)	4,017,275.30	4,382,000.00	364,724.70
10/01/2024	4,074,000.00	(55,224.70)	4,018,775.30	4,382,500.00	363,724.70
10/01/2025	2,532,250.00	(55,224.70)	2,477,025.30	2,844,250.00	367,224.70
10/01/2026	2,434,000.00	(55,224.70)	2,378,775.30	2,743,750.00	364,974.70
10/01/2027	1,995,500.00	(55,224.70)	1,940,275.30	2,302,500.00	362,224.70
10/01/2028	1,883,750.00	(55,224.70)	1,828,525.30	2,192,500.00	363,974.70
10/01/2029	1,853,250.00	(4,028,224.70)	(2,174,974.70)	(2,223,888.00)	(48,913.30)
Total	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20	\$56,066,568.26	\$5,317,364.06

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	3,621,382.76
Effects of changes in DSR investments	323,291.07
Net PV Cashflow Savings @ 3.997%(AIC)	3,944,673.83
Contingency or Rounding Amount	2,875.61
Net Present Value Benefit	\$3,947,549.44
Net PV Benefit / \$42,345,000 Refunded Principal	9.322%
Net PV Benefit / \$39,730,000 Refunding Principal	9.936%

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Comparison

Part 1 of 2

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
10/01/2013	-	-	-	-	-
04/01/2014	898,000.00	-	898,000.00	1,094,012.50	196,012.50
10/01/2014	3,173,000.00	-	3,173,000.00	3,289,012.50	116,012.50
04/01/2015	863,875.00	-	863,875.00	1,036,393.75	172,518.75
10/01/2015	3,208,875.00	-	3,208,875.00	3,346,393.75	137,518.75
04/01/2016	828,700.00	(27,612.35)	801,087.65	975,756.25	174,668.60
10/01/2016	3,243,700.00	(27,612.35)	3,216,087.65	3,405,756.25	189,668.60
04/01/2017	792,475.00	(27,612.35)	764,862.65	911,968.75	147,106.10
10/01/2017	3,282,475.00	(27,612.35)	3,254,862.65	3,471,968.75	217,106.10
04/01/2018	755,125.00	(27,612.35)	727,512.65	843,168.75	115,656.10
10/01/2018	3,320,125.00	(27,612.35)	3,292,512.65	3,543,168.75	250,656.10
04/01/2019	691,000.00	(27,612.35)	663,387.65	770,606.25	107,218.60
10/01/2019	3,381,000.00	(27,612.35)	3,353,387.65	3,610,606.25	257,218.60
04/01/2020	623,750.00	(27,612.35)	596,137.65	694,281.25	98,143.60
10/01/2020	3,448,750.00	(27,612.35)	3,421,137.65	3,689,281.25	268,143.60
04/01/2021	553,125.00	(27,612.35)	525,512.65	613,790.63	88,277.98
10/01/2021	3,518,125.00	(27,612.35)	3,490,512.65	3,768,790.63	278,277.98
04/01/2022	479,000.00	(27,612.35)	451,387.65	529,000.00	77,612.35
10/01/2022	3,589,000.00	(27,612.35)	3,561,387.65	3,849,000.00	287,612.35
04/01/2023	401,250.00	(27,612.35)	373,637.65	446,000.00	72,362.35
10/01/2023	3,671,250.00	(27,612.35)	3,643,637.65	3,936,000.00	292,362.35
04/01/2024	319,500.00	(27,612.35)	291,887.65	358,750.00	66,862.35
10/01/2024	3,754,500.00	(27,612.35)	3,726,887.65	4,023,750.00	296,862.35
04/01/2025	233,625.00	(27,612.35)	206,012.65	267,125.00	61,112.35
10/01/2025	2,298,625.00	(27,612.35)	2,271,012.65	2,577,125.00	306,112.35
04/01/2026	182,000.00	(27,612.35)	154,387.65	209,375.00	54,987.35
10/01/2026	2,252,000.00	(27,612.35)	2,224,387.65	2,534,375.00	309,987.35
04/01/2027	130,250.00	(27,612.35)	102,637.65	151,250.00	48,612.35
10/01/2027	1,865,250.00	(27,612.35)	1,837,637.65	2,151,250.00	313,612.35
04/01/2028	86,875.00	(27,612.35)	59,262.65	101,250.00	41,987.35
10/01/2028	1,796,875.00	(27,612.35)	1,769,262.65	2,091,250.00	321,987.35
04/01/2029	44,125.00	(27,612.35)	16,512.65	51,500.00	34,987.35
10/01/2029	1,809,125.00	(4,000,612.35)	(2,191,487.35)	(2,275,388.00)	(83,900.65)
Total	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20	\$56,066,568.26	\$5,317,364.06

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Comparison

Part 2 of 2

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	3,621,382.76
Effects of changes in DSR investments	323,291.07
Net PV Cashflow Savings @ 3.997%(AIC)	3,944,673.83
Contingency or Rounding Amount	2,875.61
Net Present Value Benefit	\$3,947,549.44
Net PV Benefit / \$42,345,000 Refunded Principal	9.322%
Net PV Benefit / \$39,730,000 Refunding Principal	9.936%

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Comparison

Part 1 of 2

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings	Fiscal Total
10/01/2013	-	-	-	-	-	-
04/01/2014	898,000.00	-	898,000.00	1,094,012.50	196,012.50	-
06/30/2014	-	-	-	-	-	196,012.50
10/01/2014	3,173,000.00	-	3,173,000.00	3,289,012.50	116,012.50	-
04/01/2015	863,875.00	-	863,875.00	1,036,393.75	172,518.75	-
06/30/2015	-	-	-	-	-	288,531.25
10/01/2015	3,208,875.00	-	3,208,875.00	3,346,393.75	137,518.75	-
04/01/2016	828,700.00	(27,612.35)	801,087.65	975,756.25	174,668.60	-
06/30/2016	-	-	-	-	-	312,187.35
10/01/2016	3,243,700.00	(27,612.35)	3,216,087.65	3,405,756.25	189,668.60	-
04/01/2017	792,475.00	(27,612.35)	764,862.65	911,968.75	147,106.10	-
06/30/2017	-	-	-	-	-	336,774.70
10/01/2017	3,282,475.00	(27,612.35)	3,254,862.65	3,471,968.75	217,106.10	-
04/01/2018	755,125.00	(27,612.35)	727,512.65	843,168.75	115,656.10	-
06/30/2018	-	-	-	-	-	332,762.20
10/01/2018	3,320,125.00	(27,612.35)	3,292,512.65	3,543,168.75	250,656.10	-
04/01/2019	691,000.00	(27,612.35)	663,387.65	770,606.25	107,218.60	-
06/30/2019	-	-	-	-	-	357,874.70
10/01/2019	3,381,000.00	(27,612.35)	3,353,387.65	3,610,606.25	257,218.60	-
04/01/2020	623,750.00	(27,612.35)	596,137.65	694,281.25	98,143.60	-
06/30/2020	-	-	-	-	-	355,362.20
10/01/2020	3,448,750.00	(27,612.35)	3,421,137.65	3,689,281.25	268,143.60	-
04/01/2021	553,125.00	(27,612.35)	525,512.65	613,790.63	88,277.98	-
06/30/2021	-	-	-	-	-	356,421.58
10/01/2021	3,518,125.00	(27,612.35)	3,490,512.65	3,768,790.63	278,277.98	-
04/01/2022	479,000.00	(27,612.35)	451,387.65	529,000.00	77,612.35	-
06/30/2022	-	-	-	-	-	355,890.33
10/01/2022	3,589,000.00	(27,612.35)	3,561,387.65	3,849,000.00	287,612.35	-
04/01/2023	401,250.00	(27,612.35)	373,637.65	446,000.00	72,362.35	-
06/30/2023	-	-	-	-	-	359,974.70
10/01/2023	3,671,250.00	(27,612.35)	3,643,637.65	3,936,000.00	292,362.35	-
04/01/2024	319,500.00	(27,612.35)	291,887.65	358,750.00	66,862.35	-
06/30/2024	-	-	-	-	-	359,224.70
10/01/2024	3,754,500.00	(27,612.35)	3,726,887.65	4,023,750.00	296,862.35	-
04/01/2025	233,625.00	(27,612.35)	206,012.65	267,125.00	61,112.35	-
06/30/2025	-	-	-	-	-	357,974.70
10/01/2025	2,298,625.00	(27,612.35)	2,271,012.65	2,577,125.00	306,112.35	-
04/01/2026	182,000.00	(27,612.35)	154,387.65	209,375.00	54,987.35	-
06/30/2026	-	-	-	-	-	361,099.70
10/01/2026	2,252,000.00	(27,612.35)	2,224,387.65	2,534,375.00	309,987.35	-
04/01/2027	130,250.00	(27,612.35)	102,637.65	151,250.00	48,612.35	-
06/30/2027	-	-	-	-	-	358,599.70
10/01/2027	1,865,250.00	(27,612.35)	1,837,637.65	2,151,250.00	313,612.35	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Debt Service Comparison

Part 2 of 2

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings	Fiscal Total
04/01/2028	86,875.00	(27,612.35)	59,262.65	101,250.00	41,987.35	-
06/30/2028	-	-	-	-	-	355,599.70
10/01/2028	1,796,875.00	(27,612.35)	1,769,262.65	2,091,250.00	321,987.35	-
04/01/2029	44,125.00	(27,612.35)	16,512.65	51,500.00	34,987.35	-
06/30/2029	-	-	-	-	-	356,974.70
10/01/2029	1,809,125.00	(4,000,612.35)	(2,191,487.35)	(2,275,388.00)	(83,900.65)	-
06/30/2030	-	-	-	-	-	(83,900.65)
Total	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20	\$56,066,568.26	\$5,317,364.06	-

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	3,621,382.76
Effects of changes in DSR investments	323,291.07
Net PV Cashflow Savings @ 3.997%(AIC)	3,944,673.83
Contingency or Rounding Amount	2,875.61
Net Present Value Benefit	\$3,947,549.44
Net PV Benefit / \$42,345,000 Refunded Principal	9.322%
Net PV Benefit / \$39,730,000 Refunding Principal	9.936%

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S
10/01/2013	-	-	-	-	-	-
10/01/2014	2,275,000.00	3.000%	1,796,000.00	4,071,000.00	-	4,071,000.00
10/01/2015	2,345,000.00	3.000%	1,727,750.00	4,072,750.00	-	4,072,750.00
10/01/2016	2,415,000.00	3.000%	1,657,400.00	4,072,400.00	(55,224.70)	4,017,175.30
10/01/2017	2,490,000.00	3.000%	1,584,950.00	4,074,950.00	(55,224.70)	4,019,725.30
10/01/2018	2,565,000.00	5.000%	1,510,250.00	4,075,250.00	(55,224.70)	4,020,025.30
10/01/2019	2,690,000.00	5.000%	1,382,000.00	4,072,000.00	(55,224.70)	4,016,775.30
10/01/2020	2,825,000.00	5.000%	1,247,500.00	4,072,500.00	(55,224.70)	4,017,275.30
10/01/2021	2,965,000.00	5.000%	1,106,250.00	4,071,250.00	(55,224.70)	4,016,025.30
10/01/2022	3,110,000.00	5.000%	958,000.00	4,068,000.00	(55,224.70)	4,012,775.30
10/01/2023	3,270,000.00	5.000%	802,500.00	4,072,500.00	(55,224.70)	4,017,275.30
10/01/2024	3,435,000.00	5.000%	639,000.00	4,074,000.00	(55,224.70)	4,018,775.30
10/01/2025	2,065,000.00	5.000%	467,250.00	2,532,250.00	(55,224.70)	2,477,025.30
10/01/2026	2,070,000.00	5.000%	364,000.00	2,434,000.00	(55,224.70)	2,378,775.30
10/01/2027	1,735,000.00	5.000%	260,500.00	1,995,500.00	(55,224.70)	1,940,275.30
10/01/2028	1,710,000.00	5.000%	173,750.00	1,883,750.00	(55,224.70)	1,828,525.30
10/01/2029	1,765,000.00	5.000%	88,250.00	1,853,250.00	(4,028,224.70)	(2,174,974.70)
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S
10/01/2013	-	-	-	-	-	-
04/01/2014	-	-	898,000.00	898,000.00	-	898,000.00
10/01/2014	2,275,000.00	3.000%	898,000.00	3,173,000.00	-	3,173,000.00
04/01/2015	-	-	863,875.00	863,875.00	-	863,875.00
10/01/2015	2,345,000.00	3.000%	863,875.00	3,208,875.00	-	3,208,875.00
04/01/2016	-	-	828,700.00	828,700.00	(27,612.35)	801,087.65
10/01/2016	2,415,000.00	3.000%	828,700.00	3,243,700.00	(27,612.35)	3,216,087.65
04/01/2017	-	-	792,475.00	792,475.00	(27,612.35)	764,862.65
10/01/2017	2,490,000.00	3.000%	792,475.00	3,282,475.00	(27,612.35)	3,254,862.65
04/01/2018	-	-	755,125.00	755,125.00	(27,612.35)	727,512.65
10/01/2018	2,565,000.00	5.000%	755,125.00	3,320,125.00	(27,612.35)	3,292,512.65
04/01/2019	-	-	691,000.00	691,000.00	(27,612.35)	663,387.65
10/01/2019	2,690,000.00	5.000%	691,000.00	3,381,000.00	(27,612.35)	3,353,387.65
04/01/2020	-	-	623,750.00	623,750.00	(27,612.35)	596,137.65
10/01/2020	2,825,000.00	5.000%	623,750.00	3,448,750.00	(27,612.35)	3,421,137.65
04/01/2021	-	-	553,125.00	553,125.00	(27,612.35)	525,512.65
10/01/2021	2,965,000.00	5.000%	553,125.00	3,518,125.00	(27,612.35)	3,490,512.65
04/01/2022	-	-	479,000.00	479,000.00	(27,612.35)	451,387.65
10/01/2022	3,110,000.00	5.000%	479,000.00	3,589,000.00	(27,612.35)	3,561,387.65
04/01/2023	-	-	401,250.00	401,250.00	(27,612.35)	373,637.65
10/01/2023	3,270,000.00	5.000%	401,250.00	3,671,250.00	(27,612.35)	3,643,637.65
04/01/2024	-	-	319,500.00	319,500.00	(27,612.35)	291,887.65
10/01/2024	3,435,000.00	5.000%	319,500.00	3,754,500.00	(27,612.35)	3,726,887.65
04/01/2025	-	-	233,625.00	233,625.00	(27,612.35)	206,012.65
10/01/2025	2,065,000.00	5.000%	233,625.00	2,298,625.00	(27,612.35)	2,271,012.65
04/01/2026	-	-	182,000.00	182,000.00	(27,612.35)	154,387.65
10/01/2026	2,070,000.00	5.000%	182,000.00	2,252,000.00	(27,612.35)	2,224,387.65
04/01/2027	-	-	130,250.00	130,250.00	(27,612.35)	102,637.65
10/01/2027	1,735,000.00	5.000%	130,250.00	1,865,250.00	(27,612.35)	1,837,637.65
04/01/2028	-	-	86,875.00	86,875.00	(27,612.35)	59,262.65
10/01/2028	1,710,000.00	5.000%	86,875.00	1,796,875.00	(27,612.35)	1,769,262.65
04/01/2029	-	-	44,125.00	44,125.00	(27,612.35)	16,512.65
10/01/2029	1,765,000.00	5.000%	44,125.00	1,809,125.00	(4,000,612.35)	(2,191,487.35)
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Net Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S	Fiscal Total
10/01/2013	-	-	-	-	-	-	-
04/01/2014	-	-	898,000.00	898,000.00	-	898,000.00	-
06/30/2014	-	-	-	-	-	-	898,000.00
10/01/2014	2,275,000.00	3.000%	898,000.00	3,173,000.00	-	3,173,000.00	-
04/01/2015	-	-	863,875.00	863,875.00	-	863,875.00	-
06/30/2015	-	-	-	-	-	-	4,036,875.00
10/01/2015	2,345,000.00	3.000%	863,875.00	3,208,875.00	-	3,208,875.00	-
04/01/2016	-	-	828,700.00	828,700.00	(27,612.35)	801,087.65	-
06/30/2016	-	-	-	-	-	-	4,009,962.65
10/01/2016	2,415,000.00	3.000%	828,700.00	3,243,700.00	(27,612.35)	3,216,087.65	-
04/01/2017	-	-	792,475.00	792,475.00	(27,612.35)	764,862.65	-
06/30/2017	-	-	-	-	-	-	3,980,950.30
10/01/2017	2,490,000.00	3.000%	792,475.00	3,282,475.00	(27,612.35)	3,254,862.65	-
04/01/2018	-	-	755,125.00	755,125.00	(27,612.35)	727,512.65	-
06/30/2018	-	-	-	-	-	-	3,982,375.30
10/01/2018	2,565,000.00	5.000%	755,125.00	3,320,125.00	(27,612.35)	3,292,512.65	-
04/01/2019	-	-	691,000.00	691,000.00	(27,612.35)	663,387.65	-
06/30/2019	-	-	-	-	-	-	3,955,900.30
10/01/2019	2,690,000.00	5.000%	691,000.00	3,381,000.00	(27,612.35)	3,353,387.65	-
04/01/2020	-	-	623,750.00	623,750.00	(27,612.35)	596,137.65	-
06/30/2020	-	-	-	-	-	-	3,949,525.30
10/01/2020	2,825,000.00	5.000%	623,750.00	3,448,750.00	(27,612.35)	3,421,137.65	-
04/01/2021	-	-	553,125.00	553,125.00	(27,612.35)	525,512.65	-
06/30/2021	-	-	-	-	-	-	3,946,650.30
10/01/2021	2,965,000.00	5.000%	553,125.00	3,518,125.00	(27,612.35)	3,490,512.65	-
04/01/2022	-	-	479,000.00	479,000.00	(27,612.35)	451,387.65	-
06/30/2022	-	-	-	-	-	-	3,941,900.30
10/01/2022	3,110,000.00	5.000%	479,000.00	3,589,000.00	(27,612.35)	3,561,387.65	-
04/01/2023	-	-	401,250.00	401,250.00	(27,612.35)	373,637.65	-
06/30/2023	-	-	-	-	-	-	3,935,025.30
10/01/2023	3,270,000.00	5.000%	401,250.00	3,671,250.00	(27,612.35)	3,643,637.65	-
04/01/2024	-	-	319,500.00	319,500.00	(27,612.35)	291,887.65	-
06/30/2024	-	-	-	-	-	-	3,935,525.30
10/01/2024	3,435,000.00	5.000%	319,500.00	3,754,500.00	(27,612.35)	3,726,887.65	-
04/01/2025	-	-	233,625.00	233,625.00	(27,612.35)	206,012.65	-
06/30/2025	-	-	-	-	-	-	3,932,900.30
10/01/2025	2,065,000.00	5.000%	233,625.00	2,298,625.00	(27,612.35)	2,271,012.65	-
04/01/2026	-	-	182,000.00	182,000.00	(27,612.35)	154,387.65	-
06/30/2026	-	-	-	-	-	-	2,425,400.30
10/01/2026	2,070,000.00	5.000%	182,000.00	2,252,000.00	(27,612.35)	2,224,387.65	-
04/01/2027	-	-	130,250.00	130,250.00	(27,612.35)	102,637.65	-
06/30/2027	-	-	-	-	-	-	2,327,025.30
10/01/2027	1,735,000.00	5.000%	130,250.00	1,865,250.00	(27,612.35)	1,837,637.65	-
04/01/2028	-	-	86,875.00	86,875.00	(27,612.35)	59,262.65	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development
2013 Refunding Tax Allocation Bonds

Net Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S	Fiscal Total
06/30/2028	-	-	-	-	-	-	1,896,900.30
10/01/2028	1,710,000.00	5.000%	86,875.00	1,796,875.00	(27,612.35)	1,769,262.65	-
04/01/2029	-	-	44,125.00	44,125.00	(27,612.35)	16,512.65	-
06/30/2029	-	-	-	-	-	-	1,785,775.30
10/01/2029	1,765,000.00	5.000%	44,125.00	1,809,125.00	(4,000,612.35)	(2,191,487.35)	-
06/30/2030	-	-	-	-	-	-	(2,191,487.35)
Total	\$39,730,000.00	-	\$15,765,350.00	\$55,495,350.00	(4,746,145.80)	\$50,749,204.20	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development
2013 Refunding Tax Allocation Bonds

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2014	Serial Coupon	3.000%	0.880%	2,275,000.00	102.106%	2,322,911.50
10/01/2015	Serial Coupon	3.000%	1.230%	2,345,000.00	103.486%	2,426,746.70
10/01/2016	Serial Coupon	3.000%	1.620%	2,415,000.00	104.025%	2,512,203.75
10/01/2017	Serial Coupon	3.000%	2.010%	2,490,000.00	103.786%	2,584,271.40
10/01/2018	Serial Coupon	5.000%	2.370%	2,565,000.00	112.332%	2,881,315.80
10/01/2019	Serial Coupon	5.000%	2.740%	2,690,000.00	112.425%	3,024,232.50
10/01/2020	Serial Coupon	5.000%	3.150%	2,825,000.00	111.540%	3,151,005.00
10/01/2021	Serial Coupon	5.000%	3.530%	2,965,000.00	110.167%	3,266,451.55
10/01/2022	Serial Coupon	5.000%	3.830%	3,110,000.00	108.836%	3,384,799.60
10/01/2023	Serial Coupon	5.000%	4.040%	3,270,000.00	107.833%	3,526,139.10
10/01/2024	Serial Coupon	5.000%	4.260%	3,435,000.00	106.445%	3,656,385.75
10/01/2025	Serial Coupon	5.000%	4.440%	2,065,000.00	104.831%	2,164,760.15
10/01/2026	Serial Coupon	5.000%	4.620%	2,070,000.00	103.248%	2,137,233.60
10/01/2027	Serial Coupon	5.000%	4.790%	1,735,000.00	101.779%	1,765,865.65
10/01/2028	Serial Coupon	5.000%	4.930%	1,710,000.00	100.588%	1,720,054.80
10/01/2029	Serial Coupon	5.000%	5.050%	1,765,000.00	99.455%	1,755,380.75
Total	-	-	-	\$39,730,000.00	-	\$42,279,757.60

Bid Information

Par Amount of Bonds	\$39,730,000.00
Reoffering Premium or (Discount)	2,549,757.60
Gross Production	\$42,279,757.60
Total Underwriter's Discount (0.600%)	\$(238,380.00)
Bid (105.818%)	42,041,377.60
Total Purchase Price	\$42,041,377.60
Bond Year Dollars	\$324,975.00
Average Life	8.180 Years
Average Coupon	4.8512501%
Net Interest Cost (NIC)	4.1400023%
True Interest Cost (TIC)	3.9578931%

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Refunding Tax Allocation Bonds

Current Refunding Escrow

Date	Rate	Receipts	Disbursements	Cash Balance
10/01/2013	-	42,345,000.00	42,345,000.00	-
Total	-	\$42,345,000.00	\$42,345,000.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	42,345,000.00
Total Cost of Investments	\$42,345,000.00
Target Cost of Investments at bond yield	\$42,345,000.00
Yield to Receipt	-
Yield for Arbitrage Purposes	4.5195880%

Preliminary

Garden Grove Agency for Community Development

2003 Tax Allocation Bonds

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
10/01/2014	2,195,000.00	5.250%	2,188,025.00	4,383,025.00
10/01/2015	2,310,000.00	5.250%	2,072,787.50	4,382,787.50
10/01/2016	2,430,000.00	5.250%	1,951,512.50	4,381,512.50
10/01/2017	2,560,000.00	5.375%	1,823,937.50	4,383,937.50
10/01/2018	2,700,000.00	5.375%	1,686,337.50	4,386,337.50
10/01/2019	2,840,000.00	5.375%	1,541,212.50	4,381,212.50
10/01/2020	2,995,000.00	5.375%	1,388,562.50	4,383,562.50
10/01/2021	3,155,000.00	5.375%	1,227,581.26	4,382,581.26
10/01/2022	3,320,000.00	5.000%	1,058,000.00	4,378,000.00
10/01/2023	3,490,000.00	5.000%	892,000.00	4,382,000.00
10/01/2024	3,665,000.00	5.000%	717,500.00	4,382,500.00
10/01/2025	2,310,000.00	5.000%	534,250.00	2,844,250.00
10/01/2026	2,325,000.00	5.000%	418,750.00	2,743,750.00
10/01/2027	2,000,000.00	5.000%	302,500.00	2,302,500.00
10/01/2028	1,990,000.00	5.000%	202,500.00	2,192,500.00
10/01/2029	2,060,000.00	5.000%	103,000.00	2,163,000.00
Total	\$42,345,000.00	-	\$18,108,456.26	\$60,453,456.26

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2013
Average Life	8.382 Years
Average Coupon	5.1018359%
Weighted Average Maturity (Par Basis)	8.382 Years

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Sources & Uses

Dated 10/01/2013 | Delivered 10/01/2013

Sources Of Funds

Par Amount of Bonds	\$52,760,000.00
Reoffering Premium	106,794.60
Total Sources	\$52,866,794.60

Uses Of Funds

Total Underwriter's Discount (0.600%)	316,560.00
Costs of Issuance	142,610.01
Deposit to Debt Service Reserve Fund (DSRF)	5,276,000.00
Deposit to Capitalized Interest (CIF) Fund	5,132,160.61
Deposit to Project Construction Fund	42,000,000.00
Rounding Amount	(536.02)
Total Uses	\$52,866,794.60

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
10/01/2014	-	-	2,644,343.76	2,644,343.76
10/01/2015	-	-	2,644,343.76	2,644,343.76
10/01/2016	-	-	2,644,343.76	2,644,343.76
10/01/2017	-	-	2,644,343.76	2,644,343.76
10/01/2018	-	-	2,644,343.76	2,644,343.76
10/01/2019	-	-	2,644,343.76	2,644,343.76
10/01/2020	2,690,000.00	5.000%	2,644,343.76	5,334,343.76
10/01/2021	2,825,000.00	5.000%	2,509,843.76	5,334,843.76
10/01/2022	2,970,000.00	5.000%	2,368,593.76	5,338,593.76
10/01/2023	3,115,000.00	5.000%	2,220,093.76	5,335,093.76
10/01/2024	3,270,000.00	5.000%	2,064,343.76	5,334,343.76
10/01/2025	3,435,000.00	5.000%	1,900,843.76	5,335,843.76
10/01/2026	3,610,000.00	5.000%	1,729,093.76	5,339,093.76
10/01/2027	3,790,000.00	5.000%	1,548,593.76	5,338,593.76
10/01/2028	3,980,000.00	5.000%	1,359,093.76	5,339,093.76
10/01/2029	4,175,000.00	5.000%	1,160,093.76	5,335,093.76
10/01/2030	4,385,000.00	5.000%	951,343.76	5,336,343.76
10/01/2031	4,605,000.00	5.000%	732,093.76	5,337,093.76
10/01/2032	4,835,000.00	5.000%	501,843.76	5,336,843.76
10/01/2033	5,075,000.00	5.125%	260,093.76	5,335,093.76
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20

Yield Statistics

Bond Year Dollars	\$753,790.00
Average Life	14.287 Years
Average Coupon	5.0168316%
Net Interest Cost (NIC)	5.0446597%
True Interest Cost (TIC)	5.0553795%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	5.0828209%

IRS Form 8038

Net Interest Cost	5.0233251%
Weighted Average Maturity	14.200 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
04/01/2014	-	-	1,322,171.88	1,322,171.88
10/01/2014	-	-	1,322,171.88	1,322,171.88
04/01/2015	-	-	1,322,171.88	1,322,171.88
10/01/2015	-	-	1,322,171.88	1,322,171.88
04/01/2016	-	-	1,322,171.88	1,322,171.88
10/01/2016	-	-	1,322,171.88	1,322,171.88
04/01/2017	-	-	1,322,171.88	1,322,171.88
10/01/2017	-	-	1,322,171.88	1,322,171.88
04/01/2018	-	-	1,322,171.88	1,322,171.88
10/01/2018	-	-	1,322,171.88	1,322,171.88
04/01/2019	-	-	1,322,171.88	1,322,171.88
10/01/2019	-	-	1,322,171.88	1,322,171.88
04/01/2020	-	-	1,322,171.88	1,322,171.88
10/01/2020	2,690,000.00	5.000%	1,322,171.88	4,012,171.88
04/01/2021	-	-	1,254,921.88	1,254,921.88
10/01/2021	2,825,000.00	5.000%	1,254,921.88	4,079,921.88
04/01/2022	-	-	1,184,296.88	1,184,296.88
10/01/2022	2,970,000.00	5.000%	1,184,296.88	4,154,296.88
04/01/2023	-	-	1,110,046.88	1,110,046.88
10/01/2023	3,115,000.00	5.000%	1,110,046.88	4,225,046.88
04/01/2024	-	-	1,032,171.88	1,032,171.88
10/01/2024	3,270,000.00	5.000%	1,032,171.88	4,302,171.88
04/01/2025	-	-	950,421.88	950,421.88
10/01/2025	3,435,000.00	5.000%	950,421.88	4,385,421.88
04/01/2026	-	-	864,546.88	864,546.88
10/01/2026	3,610,000.00	5.000%	864,546.88	4,474,546.88
04/01/2027	-	-	774,296.88	774,296.88
10/01/2027	3,790,000.00	5.000%	774,296.88	4,564,296.88
04/01/2028	-	-	679,546.88	679,546.88
10/01/2028	3,980,000.00	5.000%	679,546.88	4,659,546.88
04/01/2029	-	-	580,046.88	580,046.88
10/01/2029	4,175,000.00	5.000%	580,046.88	4,755,046.88
04/01/2030	-	-	475,671.88	475,671.88
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88
04/01/2031	-	-	366,046.88	366,046.88
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88
04/01/2032	-	-	250,921.88	250,921.88
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88
04/01/2033	-	-	130,046.88	130,046.88
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20

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Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$753,790.00
Average Life	14.287 Years
Average Coupon	5.0168316%
Net Interest Cost (NIC)	5.0446597%
True Interest Cost (TIC)	5.0553795%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	5.0828209%

IRS Form 8038

Net Interest Cost	5.0233251%
Weighted Average Maturity	14.200 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
10/01/2013	-	-	-	-	-
04/01/2014	-	-	1,322,171.88	1,322,171.88	-
06/30/2014	-	-	-	-	1,322,171.88
10/01/2014	-	-	1,322,171.88	1,322,171.88	-
04/01/2015	-	-	1,322,171.88	1,322,171.88	-
06/30/2015	-	-	-	-	2,644,343.76
10/01/2015	-	-	1,322,171.88	1,322,171.88	-
04/01/2016	-	-	1,322,171.88	1,322,171.88	-
06/30/2016	-	-	-	-	2,644,343.76
10/01/2016	-	-	1,322,171.88	1,322,171.88	-
04/01/2017	-	-	1,322,171.88	1,322,171.88	-
06/30/2017	-	-	-	-	2,644,343.76
10/01/2017	-	-	1,322,171.88	1,322,171.88	-
04/01/2018	-	-	1,322,171.88	1,322,171.88	-
06/30/2018	-	-	-	-	2,644,343.76
10/01/2018	-	-	1,322,171.88	1,322,171.88	-
04/01/2019	-	-	1,322,171.88	1,322,171.88	-
06/30/2019	-	-	-	-	2,644,343.76
10/01/2019	-	-	1,322,171.88	1,322,171.88	-
04/01/2020	-	-	1,322,171.88	1,322,171.88	-
06/30/2020	-	-	-	-	2,644,343.76
10/01/2020	2,690,000.00	5.000%	1,322,171.88	4,012,171.88	-
04/01/2021	-	-	1,254,921.88	1,254,921.88	-
06/30/2021	-	-	-	-	5,267,093.76
10/01/2021	2,825,000.00	5.000%	1,254,921.88	4,079,921.88	-
04/01/2022	-	-	1,184,296.88	1,184,296.88	-
06/30/2022	-	-	-	-	5,264,218.76
10/01/2022	2,970,000.00	5.000%	1,184,296.88	4,154,296.88	-
04/01/2023	-	-	1,110,046.88	1,110,046.88	-
06/30/2023	-	-	-	-	5,264,343.76
10/01/2023	3,115,000.00	5.000%	1,110,046.88	4,225,046.88	-
04/01/2024	-	-	1,032,171.88	1,032,171.88	-
06/30/2024	-	-	-	-	5,257,218.76
10/01/2024	3,270,000.00	5.000%	1,032,171.88	4,302,171.88	-
04/01/2025	-	-	950,421.88	950,421.88	-
06/30/2025	-	-	-	-	5,252,593.76
10/01/2025	3,435,000.00	5.000%	950,421.88	4,385,421.88	-
04/01/2026	-	-	864,546.88	864,546.88	-
06/30/2026	-	-	-	-	5,249,968.76
10/01/2026	3,610,000.00	5.000%	864,546.88	4,474,546.88	-
04/01/2027	-	-	774,296.88	774,296.88	-
06/30/2027	-	-	-	-	5,248,843.76
10/01/2027	3,790,000.00	5.000%	774,296.88	4,564,296.88	-
04/01/2028	-	-	679,546.88	679,546.88	-

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Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2028	-	-	-	-	5,243,843.76
10/01/2028	3,980,000.00	5.000%	679,546.88	4,659,546.88	-
04/01/2029	-	-	580,046.88	580,046.88	-
06/30/2029	-	-	-	-	5,239,593.76
10/01/2029	4,175,000.00	5.000%	580,046.88	4,755,046.88	-
04/01/2030	-	-	475,671.88	475,671.88	-
06/30/2030	-	-	-	-	5,230,718.76
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88	-
04/01/2031	-	-	366,046.88	366,046.88	-
06/30/2031	-	-	-	-	5,226,718.76
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88	-
04/01/2032	-	-	250,921.88	250,921.88	-
06/30/2032	-	-	-	-	5,221,968.76
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88	-
04/01/2033	-	-	130,046.88	130,046.88	-
06/30/2033	-	-	-	-	5,215,968.76
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88	-
06/30/2034	-	-	-	-	5,205,046.88
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20	-

Yield Statistics

Bond Year Dollars	\$753,790.00
Average Life	14.287 Years
Average Coupon	5.0168316%
Net Interest Cost (NIC)	5.0446597%
True Interest Cost (TIC)	5.0553795%
Bond Yield for Arbitrage Purposes	4.5195880%
All Inclusive Cost (AIC)	5.0828209%

IRS Form 8038

Net Interest Cost	5.0233251%
Weighted Average Maturity	14.200 Years

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
10/01/2013	-	-	-	-	-	-	-
10/01/2014	-	-	2,644,343.76	2,644,343.76	-	(2,644,343.76)	-
10/01/2015	-	-	2,644,343.76	2,644,343.76	-	(2,644,343.76)	-
10/01/2016	-	-	2,644,343.76	2,644,343.76	(17,938.40)	-	2,626,405.36
10/01/2017	-	-	2,644,343.76	2,644,343.76	(17,938.40)	-	2,626,405.36
10/01/2018	-	-	2,644,343.76	2,644,343.76	(17,938.40)	-	2,626,405.36
10/01/2019	-	-	2,644,343.76	2,644,343.76	(17,938.40)	-	2,626,405.36
10/01/2020	2,690,000.00	5.000%	2,644,343.76	5,334,343.76	(17,938.40)	-	5,316,405.36
10/01/2021	2,825,000.00	5.000%	2,509,843.76	5,334,843.76	(17,938.40)	-	5,316,905.36
10/01/2022	2,970,000.00	5.000%	2,368,593.76	5,338,593.76	(17,938.40)	-	5,320,655.36
10/01/2023	3,115,000.00	5.000%	2,220,093.76	5,335,093.76	(17,938.40)	-	5,317,155.36
10/01/2024	3,270,000.00	5.000%	2,064,343.76	5,334,343.76	(17,938.40)	-	5,316,405.36
10/01/2025	3,435,000.00	5.000%	1,900,843.76	5,335,843.76	(17,938.40)	-	5,317,905.36
10/01/2026	3,610,000.00	5.000%	1,729,093.76	5,339,093.76	(17,938.40)	-	5,321,155.36
10/01/2027	3,790,000.00	5.000%	1,548,593.76	5,338,593.76	(17,938.40)	-	5,320,655.36
10/01/2028	3,980,000.00	5.000%	1,359,093.76	5,339,093.76	(17,938.40)	-	5,321,155.36
10/01/2029	4,175,000.00	5.000%	1,160,093.76	5,335,093.76	(17,938.40)	-	5,317,155.36
10/01/2030	4,385,000.00	5.000%	951,343.76	5,336,343.76	(17,938.40)	-	5,318,405.36
10/01/2031	4,605,000.00	5.000%	732,093.76	5,337,093.76	(17,938.40)	-	5,319,155.36
10/01/2032	4,835,000.00	5.000%	501,843.76	5,336,843.76	(17,938.40)	-	5,318,905.36
10/01/2033	5,075,000.00	5.125%	260,093.76	5,335,093.76	(5,293,938.40)	-	41,155.36
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20	(5,598,891.20)	(5,288,687.52)	\$79,688,796.48

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
10/01/2013	-	-	-	-	-	-	-
04/01/2014	-	-	1,322,171.88	1,322,171.88	-	(1,322,171.88)	-
10/01/2014	-	-	1,322,171.88	1,322,171.88	-	(1,322,171.88)	-
04/01/2015	-	-	1,322,171.88	1,322,171.88	-	(1,322,171.88)	-
10/01/2015	-	-	1,322,171.88	1,322,171.88	-	(1,322,171.88)	-
04/01/2016	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
10/01/2016	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
04/01/2017	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
10/01/2017	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
04/01/2018	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
10/01/2018	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
04/01/2019	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
10/01/2019	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
04/01/2020	-	-	1,322,171.88	1,322,171.88	(8,969.20)	-	1,313,202.68
10/01/2020	2,690,000.00	5.000%	1,322,171.88	4,012,171.88	(8,969.20)	-	4,003,202.68
04/01/2021	-	-	1,254,921.88	1,254,921.88	(8,969.20)	-	1,245,952.68
10/01/2021	2,825,000.00	5.000%	1,254,921.88	4,079,921.88	(8,969.20)	-	4,070,952.68
04/01/2022	-	-	1,184,296.88	1,184,296.88	(8,969.20)	-	1,175,327.68
10/01/2022	2,970,000.00	5.000%	1,184,296.88	4,154,296.88	(8,969.20)	-	4,145,327.68
04/01/2023	-	-	1,110,046.88	1,110,046.88	(8,969.20)	-	1,101,077.68
10/01/2023	3,115,000.00	5.000%	1,110,046.88	4,225,046.88	(8,969.20)	-	4,216,077.68
04/01/2024	-	-	1,032,171.88	1,032,171.88	(8,969.20)	-	1,023,202.68
10/01/2024	3,270,000.00	5.000%	1,032,171.88	4,302,171.88	(8,969.20)	-	4,293,202.68
04/01/2025	-	-	950,421.88	950,421.88	(8,969.20)	-	941,452.68
10/01/2025	3,435,000.00	5.000%	950,421.88	4,385,421.88	(8,969.20)	-	4,376,452.68
04/01/2026	-	-	864,546.88	864,546.88	(8,969.20)	-	855,577.68
10/01/2026	3,610,000.00	5.000%	864,546.88	4,474,546.88	(8,969.20)	-	4,465,577.68
04/01/2027	-	-	774,296.88	774,296.88	(8,969.20)	-	765,327.68
10/01/2027	3,790,000.00	5.000%	774,296.88	4,564,296.88	(8,969.20)	-	4,555,327.68
04/01/2028	-	-	679,546.88	679,546.88	(8,969.20)	-	670,577.68
10/01/2028	3,980,000.00	5.000%	679,546.88	4,659,546.88	(8,969.20)	-	4,650,577.68
04/01/2029	-	-	580,046.88	580,046.88	(8,969.20)	-	571,077.68
10/01/2029	4,175,000.00	5.000%	580,046.88	4,755,046.88	(8,969.20)	-	4,746,077.68
04/01/2030	-	-	475,671.88	475,671.88	(8,969.20)	-	466,702.68
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88	(8,969.20)	-	4,851,702.68
04/01/2031	-	-	366,046.88	366,046.88	(8,969.20)	-	357,077.68
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88	(8,969.20)	-	4,962,077.68
04/01/2032	-	-	250,921.88	250,921.88	(8,969.20)	-	241,952.68
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88	(8,969.20)	-	5,076,952.68
04/01/2033	-	-	130,046.88	130,046.88	(8,969.20)	-	121,077.68
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88	(5,284,969.20)	-	(79,922.32)
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20	(5,598,891.20)	(5,288,687.52)	\$79,688,796.48

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I
10/01/2013	-	-	-	-
04/01/2014	-	-	1,322,171.88	1,322,171.88
10/01/2014	-	-	1,322,171.88	1,322,171.88
04/01/2015	-	-	1,322,171.88	1,322,171.88
10/01/2015	-	-	1,322,171.88	1,322,171.88
04/01/2016	-	-	1,322,171.88	1,322,171.88
06/30/2016	-	-	-	-
10/01/2016	-	-	1,322,171.88	1,322,171.88
04/01/2017	-	-	1,322,171.88	1,322,171.88
06/30/2017	-	-	-	-
10/01/2017	-	-	1,322,171.88	1,322,171.88
04/01/2018	-	-	1,322,171.88	1,322,171.88
06/30/2018	-	-	-	-
10/01/2018	-	-	1,322,171.88	1,322,171.88
04/01/2019	-	-	1,322,171.88	1,322,171.88
06/30/2019	-	-	-	-
10/01/2019	-	-	1,322,171.88	1,322,171.88
04/01/2020	-	-	1,322,171.88	1,322,171.88
06/30/2020	-	-	-	-
10/01/2020	2,690,000.00	5.000%	1,322,171.88	4,012,171.88
04/01/2021	-	-	1,254,921.88	1,254,921.88
06/30/2021	-	-	-	-
10/01/2021	2,825,000.00	5.000%	1,254,921.88	4,079,921.88
04/01/2022	-	-	1,184,296.88	1,184,296.88
06/30/2022	-	-	-	-
10/01/2022	2,970,000.00	5.000%	1,184,296.88	4,154,296.88
04/01/2023	-	-	1,110,046.88	1,110,046.88
06/30/2023	-	-	-	-
10/01/2023	3,115,000.00	5.000%	1,110,046.88	4,225,046.88
04/01/2024	-	-	1,032,171.88	1,032,171.88
06/30/2024	-	-	-	-
10/01/2024	3,270,000.00	5.000%	1,032,171.88	4,302,171.88
04/01/2025	-	-	950,421.88	950,421.88
06/30/2025	-	-	-	-
10/01/2025	3,435,000.00	5.000%	950,421.88	4,385,421.88
04/01/2026	-	-	864,546.88	864,546.88
06/30/2026	-	-	-	-
10/01/2026	3,610,000.00	5.000%	864,546.88	4,474,546.88
04/01/2027	-	-	774,296.88	774,296.88
06/30/2027	-	-	-	-
10/01/2027	3,790,000.00	5.000%	774,296.88	4,564,296.88
04/01/2028	-	-	679,546.88	679,546.88
06/30/2028	-	-	-	-
10/01/2028	3,980,000.00	5.000%	679,546.88	4,659,546.88

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Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Part 2 of 4

Date	DSR	CIF	Net New D/S	Fiscal Total
10/01/2013	-	-	-	-
04/01/2014	-	(1,322,171.88)	-	-
10/01/2014	-	(1,322,171.88)	-	-
04/01/2015	-	(1,322,171.88)	-	-
10/01/2015	-	(1,322,171.88)	-	-
04/01/2016	(8,969.20)	-	1,313,202.68	-
06/30/2016	-	-	-	1,313,202.68
10/01/2016	(8,969.20)	-	1,313,202.68	-
04/01/2017	(8,969.20)	-	1,313,202.68	-
06/30/2017	-	-	-	2,626,405.36
10/01/2017	(8,969.20)	-	1,313,202.68	-
04/01/2018	(8,969.20)	-	1,313,202.68	-
06/30/2018	-	-	-	2,626,405.36
10/01/2018	(8,969.20)	-	1,313,202.68	-
04/01/2019	(8,969.20)	-	1,313,202.68	-
06/30/2019	-	-	-	2,626,405.36
10/01/2019	(8,969.20)	-	1,313,202.68	-
04/01/2020	(8,969.20)	-	1,313,202.68	-
06/30/2020	-	-	-	2,626,405.36
10/01/2020	(8,969.20)	-	4,003,202.68	-
04/01/2021	(8,969.20)	-	1,245,952.68	-
06/30/2021	-	-	-	5,249,155.36
10/01/2021	(8,969.20)	-	4,070,952.68	-
04/01/2022	(8,969.20)	-	1,175,327.68	-
06/30/2022	-	-	-	5,246,280.36
10/01/2022	(8,969.20)	-	4,145,327.68	-
04/01/2023	(8,969.20)	-	1,101,077.68	-
06/30/2023	-	-	-	5,246,405.36
10/01/2023	(8,969.20)	-	4,216,077.68	-
04/01/2024	(8,969.20)	-	1,023,202.68	-
06/30/2024	-	-	-	5,239,280.36
10/01/2024	(8,969.20)	-	4,293,202.68	-
04/01/2025	(8,969.20)	-	941,452.68	-
06/30/2025	-	-	-	5,234,655.36
10/01/2025	(8,969.20)	-	4,376,452.68	-
04/01/2026	(8,969.20)	-	855,577.68	-
06/30/2026	-	-	-	5,232,030.36
10/01/2026	(8,969.20)	-	4,465,577.68	-
04/01/2027	(8,969.20)	-	765,327.68	-
06/30/2027	-	-	-	5,230,905.36
10/01/2027	(8,969.20)	-	4,555,327.68	-
04/01/2028	(8,969.20)	-	670,577.68	-
06/30/2028	-	-	-	5,225,905.36
10/01/2028	(8,969.20)	-	4,650,577.68	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I
04/01/2029	-	-	580,046.88	580,046.88
06/30/2029	-	-	-	-
10/01/2029	4,175,000.00	5.000%	580,046.88	4,755,046.88
04/01/2030	-	-	475,671.88	475,671.88
06/30/2030	-	-	-	-
10/01/2030	4,385,000.00	5.000%	475,671.88	4,860,671.88
04/01/2031	-	-	366,046.88	366,046.88
06/30/2031	-	-	-	-
10/01/2031	4,605,000.00	5.000%	366,046.88	4,971,046.88
04/01/2032	-	-	250,921.88	250,921.88
06/30/2032	-	-	-	-
10/01/2032	4,835,000.00	5.000%	250,921.88	5,085,921.88
04/01/2033	-	-	130,046.88	130,046.88
06/30/2033	-	-	-	-
10/01/2033	5,075,000.00	5.125%	130,046.88	5,205,046.88
06/30/2034	-	-	-	-
Total	\$52,760,000.00	-	\$37,816,375.20	\$90,576,375.20

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Net Debt Service Schedule

Part 4 of 4

Date	DSR	CIF	Net New D/S	Fiscal Total
04/01/2029	(8,969.20)	-	571,077.68	-
06/30/2029	-	-	-	5,221,655.36
10/01/2029	(8,969.20)	-	4,746,077.68	-
04/01/2030	(8,969.20)	-	466,702.68	-
06/30/2030	-	-	-	5,212,780.36
10/01/2030	(8,969.20)	-	4,851,702.68	-
04/01/2031	(8,969.20)	-	357,077.68	-
06/30/2031	-	-	-	5,208,780.36
10/01/2031	(8,969.20)	-	4,962,077.68	-
04/01/2032	(8,969.20)	-	241,952.68	-
06/30/2032	-	-	-	5,204,030.36
10/01/2032	(8,969.20)	-	5,076,952.68	-
04/01/2033	(8,969.20)	-	121,077.68	-
06/30/2033	-	-	-	5,198,030.36
10/01/2033	(5,284,969.20)	-	(79,922.32)	-
06/30/2034	-	-	-	(79,922.32)
Total	(5,598,891.20)	(5,288,687.52)	\$79,688,796.48	-

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
10/01/2020	Serial Coupon	5.000%	2.700%	2,690,000.00	104.448%	c	2,809,651.20
10/01/2021	Serial Coupon	5.000%	3.130%	2,825,000.00	103.598%	c	2,926,643.50
10/01/2022	Serial Coupon	5.000%	3.480%	2,970,000.00	102.912%	c	3,056,486.40
10/01/2023	Serial Coupon	5.000%	3.740%	3,115,000.00	102.406%	c	3,189,946.90
10/01/2024	Serial Coupon	5.000%	4.010%	3,270,000.00	101.884%	c	3,331,606.80
10/01/2025	Serial Coupon	5.000%	4.240%	3,435,000.00	101.442%	c	3,484,532.70
10/01/2026	Serial Coupon	5.000%	4.470%	3,610,000.00	101.003%	c	3,646,208.30
10/01/2027	Serial Coupon	5.000%	4.690%	3,790,000.00	100.585%	c	3,812,171.50
10/01/2028	Serial Coupon	5.000%	4.880%	3,980,000.00	100.226%	c	3,988,994.80
10/01/2029	Serial Coupon	5.000%	5.050%	4,175,000.00	99.455%		4,152,246.25
10/01/2030	Serial Coupon	5.000%	5.120%	4,385,000.00	98.648%		4,325,714.80
10/01/2031	Serial Coupon	5.000%	5.190%	4,605,000.00	97.794%		4,503,413.70
10/01/2032	Serial Coupon	5.000%	5.260%	4,835,000.00	96.900%		4,685,115.00
10/01/2033	Serial Coupon	5.125%	5.320%	5,075,000.00	97.617%		4,954,062.75
Total	-	-	-	\$52,760,000.00	-	-	\$52,866,794.60

Bid Information

Par Amount of Bonds	\$52,760,000.00
Reoffering Premium or (Discount)	106,794.60
Gross Production	\$52,866,794.60
Total Underwriter's Discount (0.600%)	\$(316,560.00)
Bid (99.602%)	52,550,234.60
Total Purchase Price	\$52,550,234.60
Bond Year Dollars	\$753,790.00
Average Life	14.287 Years
Average Coupon	5.0168316%
Net Interest Cost (NIC)	5.0446597%
True Interest Cost (TIC)	5.0553795%

Preliminary

Successor Agency to the Garden Grove Agency for Community Development

2013 Tax Allocation Bonds

(Great Wolf Lodge Project)

Operation Of Project Construction Fund

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
10/01/2013	42,000,000.00	0.3400000%	42,000,000.00	42,000,000.00	-
11/01/2013	-	0.3400000%	-	-	-
12/01/2013	-	-	-	-	-
01/01/2014	-	-	-	-	-
02/01/2014	-	-	-	-	-
03/01/2014	-	-	-	-	-
04/01/2014	-	-	-	-	-
05/01/2014	-	-	-	-	-
06/01/2014	-	-	-	-	-
07/01/2014	-	-	-	-	-
08/01/2014	-	-	-	-	-
09/01/2014	-	-	-	-	-
10/01/2014	-	-	-	-	-
11/01/2014	-	-	-	-	-
12/01/2014	-	-	-	-	-
01/01/2015	-	-	-	-	-
02/01/2015	-	-	-	-	-
03/01/2015	-	-	-	-	-
04/01/2015	-	-	-	-	-
05/01/2015	-	-	-	-	-
06/01/2015	-	-	-	-	-
07/01/2015	-	-	-	-	-
08/01/2015	-	-	-	-	-
09/01/2015	-	-	-	-	-
10/01/2015	-	0.3400000%	-	-	-
Total	\$42,000,000.00	-	\$42,000,000.00	\$42,000,000.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	42,000,000.00
Total Cost of Investments	\$42,000,000.00
Target Cost of Investments at bond yield	\$42,000,000.00
Yield to Receipt	-
Yield for Arbitrage Purposes	4.5195880%