

RESOLUTION NO. OB 14-09

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY TO REFUND BONDS OF THE FORMER FIREBAUGH REDEVELOPMENT AGENCY, AND APPROVING RELATED ACTIONS OF THE SUCCESSOR AGENCY

WHEREAS, prior to the dissolution of redevelopment agencies, the Firebaugh Redevelopment Agency (the "Original Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (together with California Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and AB No. 1484, the "Law"), including the power to borrow funds and issue bonds for any of its corporate purposes; and

WHEREAS, after adopting AB1X 26 on June 29, 2011, which dissolved all redevelopment agencies in existence in the State of California as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies (all as defined in AB1X 26), the California State Legislature adopted AB No. 1484 ("AB 1484"), a follow on bill to AB1X 26, to provide a mechanism to refund tax allocation bonds under certain circumstances; and

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Firebaugh (the "City") elected to serve, and currently serves, as the successor agency (the "Successor Agency") to the Original Agency with respect to the Original Agency's outstanding bonds; and

WHEREAS, pursuant to Health and Safety Code Section 34179(a), this Oversight Board is the oversight board duly established pursuant to the Law for the Successor Agency; and

WHEREAS, the Original Agency is obligated to pay the Firebaugh Redevelopment Project Tax Allocation Bonds, 2005 Series A, issued in the original principal amount of \$3,770,000 (the "2005 Series A Bonds"), and Firebaugh Redevelopment Project Taxable Tax Allocation Bonds, 2005 Series B, issued in the original principal amount of \$3,450,000 (the "2005 Series B Bonds" and, collectively with the Series A Bonds, the "2005 Bonds") for the purpose of financing programs, projects and activities relating to the Original Agency's Firebaugh Redevelopment Project (the "Redevelopment Project") from tax increment revenues derived from the Redevelopment Project, which are each subject to optional redemption at par on any June 1 or December 1, and which may be prepaid and refunded; and

WHEREAS, to provide moneys to refund the 2005 Bonds, the Successor Agency is authorized to issue and sell refunding bonds under the provisions of Section 34177.5 of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Refunding Bond Law") as long as the following two conditions set forth in Health and Safety Code Section 34177.5(a)(1) are met: first, the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the 2005 Bonds to be refunded plus the remaining principal of the 2005 Bonds to be refunded; second, the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the 2005 Bonds, to establish customary debt service reserves, and to-pay related costs of issuance (the "Refunding Test"); and

WHEREAS, pursuant to Health and Safety Code Section 34177.5(a)(1), the Successor Agency may pledge to the Refunding Bonds (defined below) the revenues pledged to the 2005 Bonds, and that pledge, when made in connection with the issuance of such Refunding Bonds, shall have the same lien priority as the pledge of the 2005 Bonds being refunded, and shall be valid, binding; and enforceable in accordance with its terms; and

WHEREAS, pursuant to Health and Safety Code Section 34177.5(f) and Resolution No. 14-01, adopted on January 16, 2014 ("Resolution No. 14-01"), this Oversight Board directed the Successor Agency to prepare for the refunding of all or a portion of the 2005 Bonds to achieve debt service savings; and

WHEREAS, information presented to this Oversight Board shows that significant debt service savings may be achieved by a refunding of the 2005 Bonds; and

WHEREAS, the Successor Agency determined that, due to low interest rates, it is beneficial to the City and all taxing entities to undertake a refunding of the 2005 Bonds assuming certain debt service refinancing thresholds are met as determined by the Successor Agency upon approval of the refunding documents and meeting the conditions of the Refunding Test; and

WHEREAS, on May 19, 2014, the Successor Agency is scheduled to consider the adoption of Resolution No. 14-16, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference (the "Resolution of Issuance"), approving the issuance of its Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project Tax Allocation Refunding Bonds, 2014 Series A (the "2014A Bonds") and Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2014 Series B (the "2014B Bonds" and, with the 2014A Bonds, the "Refunding Bonds") to refund the 2005 Bonds; and

WHEREAS, in a letter dated March 12, 2014, the Department of Finance announced that it had reviewed this Oversight Board's action pursuant to Resolution No. 14-01, and approved the refunding of the 2005 Bonds; and

WHEREAS, pursuant to the Resolution of Issuance, the Successor Agency approved and duly authorized the issuance of the Refunding Bonds and the execution of the various documents (collectively the "Bond Documents") and actions required to issue the Refunding Bonds; and

WHEREAS, the Bond Documents and the Resolution of Issuance are on file with the Secretary of the Oversight Board.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency resolves as follows:

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

Section 2. Findings. The Oversight Board makes the following findings:

(i) Due to the estimated net savings levels as shown in the reports filed with this Oversight Board, it is beneficial to the City and all taxing entities to undertake a refunding of the 2005 Bonds.

(ii) The Successor Agency has made use of an independent financial advisor in developing financing proposals, as required by the Refunding Bond Law, and shall make the work products of the financial advisor available to the California State Department of Finance upon request.

(iii) This Resolution constitutes the approval of the Oversight Board of the Refunding Bonds pursuant to Health & Safety Code Sections 34177.5(f) and 34180.

(iv) The estimated savings and the Refunding Bonds meet the requirements of the Refunding Test and outlined in the Refunding Bond Law.

Section 3. Approval of Refunding Bonds. The Oversight Board hereby approves the issuance of the Refunding Bonds for the purposes set forth herein and more particularly described in the Resolution of Issuance. The Oversight Board hereby approves and authorizes the Successor Agency to pledge to the Refunding Bonds those same revenues previously pledged to the 2005 Bonds, and such pledge when made, shall have the same lien priority as the pledge of the 2005 Bonds, and shall be valid, binding, and enforceable in accordance with its terms, pursuant to Health and Safety Code Section 34177.5(a)(1). The Oversight Board hereby approves all the Bond Documents and actions approved by the Successor Agency pursuant to the Resolution of Issuance; provided that the principal amount of the 2014A Bonds shall not exceed \$3,755,000, and the true interest cost shall not exceed 5.00%, and the principal amount of the 2014B Bonds shall not exceed \$2,745,000, and the true interest cost shall not exceed 6.75%.

Section 4. Approval of Bond Documents. The Oversight Board hereby approves the Bond Documents in substantially the form presented at this meeting, with such changes as the authorized officers of the Successor Agency executing the same may require or approve. The Oversight Board hereby approves such other documents as the Successor Agency may require or approve upon consultation with its Bond Counsel without returning to Oversight Board or State Department of Finance for approval.

Section 5. Approval of Purchaser. The Oversight Board hereby approves the selection by the successor Agency of TPB Investments Inc., a wholly owned subsidiary of Western Alliance Bank, an Arizona corporation (or an affiliate thereof), as original purchaser of the Bonds pursuant to the Resolution of Issuance.

Section 6. Recovery of Costs. The Oversight Board hereby authorizes and approves staff of the Successor Agency to take all actions necessary to recover reasonable costs incurred in connection with this transaction from the proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue the Refunding Bonds, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency, which is provided pursuant to Health and Safety Code Section 34183(a)(1), as such allowance is defined in Health and Safety Code Section 34171(b).

Section 7. Further Action. As soon as practicable, upon passage of this resolution, the Oversight Board hereby directs the Secretary of the Oversight Board and/or any other appropriate officers and employees of the Oversight Board to submit or cause to be submitted all legal proceedings and documents required for issuance of the Refunding Bonds to the State Department of Finance.

Section 8. Effective Date. This Resolution shall take effect immediately upon approval by the board of the Successor Agency of the Resolution of Issuance.

PASSED AND ADOPTED at a regular meeting of the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency held on the 15th day of May, 2014, by the following vote, to wit:

AYES: Minnite, Knight, McDonald, Lopez, Stoppenbrink, Cline

NOES:

ABSTAIN:

ABSENT: Freitas

APPROVED:


Chairperson, Oversight Board

ATTEST:


Secretary, Oversight Board

I hereby certify that the above Resolution No. OB-14-09 was duly introduced, read and adopted by the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency at a regular meeting held on May 15, 2014.


Secretary

EXHIBIT A
SUCCESSOR AGENCY RESOLUTION OF ISSUANCE

**THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY**

RESOLUTION NO. OB 14-09

ADOPTED ON MAY 19, 2014

**THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS
2014 SERIES A**

And

**SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAXABLE TAX ALLOCATION REFUNDING BONDS
2014 SERIES B**

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Successor Agency to the Firebaugh Redevelopment Agency
Resolution Authorizing the Issuance of Not to Exceed
\$3,755,000 Aggregate Principal Amount of
Firebaugh Redevelopment Project, Tax Allocation Refunding Bonds, 2014 Series A
And
Successor Agency to the Firebaugh Redevelopment Agency
Resolution Authorizing the Issuance of Not to Exceed
\$2,745,000 Aggregate Principal Amount of
Firebaugh Redevelopment Project, Taxable Tax Allocation Refunding Bonds, 2014 Series B

WHEREAS, the Successor Agency to the Firebaugh Redevelopment Agency (the "Agency") is a public body, corporate and politic, organized and existing under, and by virtue of the laws of the State of California, as successor to the dissolved Firebaugh Redevelopment Agency (the "Original Agency");

WHEREAS, the Original Agency was a redevelopment agency in the City of Firebaugh (the "City"), duly created pursuant to the California Community Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (together with California Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and Assembly Bill No. 1484 (Chapter 26, Statutes 2012) ("AB 1484), the "Law"); and

WHEREAS, a redevelopment plan for the Firebaugh Redevelopment Project (the "Redevelopment Project") has been adopted under the Law pursuant to all applicable requirements of the Law; and

WHEREAS, pursuant to an Indenture of Trust, dated as of November 1, 2005, as supplemented by a First Supplement to Trust Agreement, dated as November 1, 2005 (collectively, the "2005 Indenture"), both between the Original Agency and The Bank of New York Mellon Trust Company, N.A, as successor to the trustee named therein (the "2005 Trustee"), the Original Agency has issued its Redevelopment Agency of the City of Firebaugh, Firebaugh Redevelopment Project Tax Allocation Bonds, 2005 Series A (the "2005 Series A Bonds"), in the original principal amount of \$3,770,000, of which \$3,770,000 is currently outstanding, and its Redevelopment Agency of the City of Firebaugh, Firebaugh Redevelopment Project Taxable Tax Allocation Bonds, 2005 Series B (the "2005 Series B Bonds" and, with the 2005 Series A Bonds, the "Prior Obligations"), in the original principal amount of \$3,450,000, of which \$2,695,000 is currently outstanding, secured by certain tax increment revenue allocated to the Redevelopment Project pursuant to Health and Safety Code Section 33670, subject to their respective lien priority; and

WHEREAS, after adopting AB1X 26 on June 29, 2011, which dissolved all redevelopment agencies in existence in the State of California as of February 1, 2012, and designated successor agencies and oversight boards to satisfy enforceable obligations of the former redevelopment agencies and administer dissolution and wind down of the former

redevelopment agencies, the California State Legislature adopted AB 1484, which, among other things, provides a mechanism to refund tax allocation bonds under certain circumstances; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the Agency is the successor agency to the Original Agency with respect to the Original Agency's outstanding bonds, as confirmed by a resolution of the City Council of the City of Firebaugh; and

WHEREAS, the Agency is authorized under Health and Safety Code Section 34177.5(a) to refund the Prior Obligations as long as the following two conditions are met: First, the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the Prior Obligations to be refunded plus the remaining principal of the Prior Obligations to be refunded; second, the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the Prior Obligations, to establish customary debt service reserves, and to pay related costs of issuance including costs of financial advisors, consultants, counsel and staff related to the refunding (the "Refunding Test"); and

WHEREAS, the Successor Agency's Financial Advisor (as defined below) has provided information to show there are significant debt service savings associated with a refunding of the Prior Obligations; and

WHEREAS, pursuant to Health and Safety Code Section 34179(a), the Agency has a duly established oversight board (the "Oversight Board") which, pursuant to Health and Safety Code Section 34177.5(f), may direct the Agency to issue bonds to refund the Prior Bonds so long as the Agency is able to recover the costs of the transaction of the Agency; and

WHEREAS, on January 26, 2014, pursuant to Resolution No. 14-01, the Oversight Board directed the Agency to prepare for the refunding of all or a portion of the Prior Obligations to achieve debt service savings; and

WHEREAS, pursuant to Health and Safety Code Section 34177.5(a)(1), the Agency may pledge to the Bonds (defined herein) the revenues pledged to the Prior Obligations, and that pledge, when made in connection with the issuance of such Bonds, shall have the same lien priority as the pledge of the Prior Obligations being refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, due to low interest rates, it is beneficial to the City and all taxing entities to undertake a refunding of the Prior Obligations assuming certain debt service refinancing thresholds provided herein are met as determined by the Agency and the Oversight Board upon approval of the refunding documents and meeting the conditions set forth in Health and Safety Code Section 34177.5(a)(1); and

WHEREAS, to provide moneys to refund the Prior Obligations, the Agency now wishes to authorize the issuance and sale of certain refunding bonds, designated as Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project Tax Allocation Refunding Bonds, 2014 Series A (the "2014A Bonds") and Successor Agency to the Firebaugh

Redevelopment Agency Firebaugh Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2014 Series B (the "2014B Bonds" and, with the 2014A Bonds, the "Bonds"), under the provisions of Section 34177.5 of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Refunding Bond Law"); and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Agency and duly issued, the valid, binding and legal special obligations of the Agency, and to have this Resolution constitute a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the adoption and the execution, issuance and delivery of the Bonds have been in all respects duly authorized;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FIREBAUGH, ACTING AS SUCCESSOR AGENCY FOR THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

ARTICLE I DEFINITIONS; EQUAL SECURITY

Section 1.01. Findings. The Agency hereby makes the following findings:

(i) Due to low interest rates, it is beneficial to the City and all taxing entities to undertake a refunding of the Prior Obligations.

(ii) The refinancing thresholds set forth in the Refunding Test have been met or shall be met concurrently with the execution and delivery of the Purchase Contract.

(iii) The Agency has made diligent efforts to ensure that the lowest long-term cost financing is obtained, which shall not provide for any bullets or spikes and shall not use variable rates.

(iv) The Agency has made use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the California State Department of Finance upon request.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Additional Revenues" means, as of the date of calculation, the amount of Tax Revenues which, as shown in a Consultant's Report, are estimated to be receivable by the Agency within the Fiscal Year following the Fiscal Year in which such calculation is made, as a result of

increases in the assessed valuation of taxable property in the Redevelopment Project due to construction which has been completed but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the Redevelopment Project is estimated to increase above the assessed valuation of taxable property in the Redevelopment Project (as evidenced in the written records of the County) as of the date on which such calculation is made.

"Agency" means the Successor Agency to the Firebaugh Redevelopment Agency, a public body, corporate and politic, organized and existing under the laws of the State of California, and any successor thereto.

"Agency Issuance Certificate" means that certain certificate of the Agency setting forth the final principal amount, interest rate, redemption provisions, maturity and sinking fund schedules for the Bonds, as provided for herein.

"Annual Debt Service" mean, for each Bond Year, the sum of (i) the interest falling due on all Outstanding Bonds in such Bond Year, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds, if any, are redeemed from the Sinking Account, as may be scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), (ii) the principal amount of the Outstanding Serial Bonds, if any, maturing by their terms in such Bond Year, and (iii) the minimum amount of such Outstanding Term Bonds required to be paid or called and redeemed in such Bond Year. The term "Annual Debt Service" shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest.

"Authorized Denominations" means denominations of one hundred thousand dollars (\$100,000) or any integral multiple of five thousand dollars (\$5,000) in excess thereof, except for one Bond which may be in amount less than a multiple of \$5,000.

"Authorized Officer" means the means the Chair or Vice Chair, the Executive Director, the Finance Director, the Agency Secretary, or any other official of the Agency authorized by the Board of Directors to act for the Agency.

"Bonds" means the 2014A Bonds and the 2014B Bonds.

"Bond Counsel" means Nossaman LLP or any other attorney or firm of attorneys appointed by and acceptable to the Agency, of nationally-recognized experience in the execution and delivery of obligations the interest in which is excludable from gross income for federal income tax purposes.

"Bond Year" means, with respect to the Bonds, the twelve-month period beginning on December 2 in any year and the next succeeding December 1 of each year; provided, however, that the first Bond Year shall begin on the Closing Date and end on December 1, 2014.

"Business Day" means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California.

“Certificate of the Agency” means an instrument in writing signed by an Authorized Officer of the Agency.

“Closing Date” means the date of original delivery of the Bonds to the Purchaser, being the date set forth in the Agency Issuance Certificate.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

“Consultant’s Report” means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

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

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

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“County” means the County of Fresno, a county duly organized and existing under the Constitution and laws of the State.

“Default Rate” means 3.00% plus the interest rate equal to the interest rate on the Bonds.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the Agency relating to the issuance of the Bonds, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Purchaser and its counsel, financing discounts, legal fees and charges, financial and other professional consultant fees, fees for execution, transportation and safekeeping of Bonds and charges and fees in connection with the foregoing.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the Law.

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

“Event of Default” means an event of default described in Section 6.01 hereof.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or

obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the twelve calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year in accordance with applicable law.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his or her successor for cities in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

“Gross Up Rate” means an interest rate equal to the scheduled interest rate on the 2014B Bonds.

“Independent Accountant” means any accountant or firm of such accountants appointed and paid by the Agency, and who, or each of whom (a) is in fact independent and not under domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency; and (c) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

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

(2) does not have any substantial interest, direct or indirect, with the Agency;

and

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

“Independent Redevelopment Consultant” means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies, appointed and paid by the Agency, and who, or each of whom:

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

(2) does not have any substantial interest, direct or indirect, with the Agency;

and

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

“Interest Payment Date” means December 1, 2014 and each June 1 and December 1 thereafter, unless otherwise set forth in the Agency Issuance Certificate.

“Law” means (i) the Community Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), (ii) Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California, as amended, and (iii) Article 11 of Chapter 3, Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended.

“Material Adverse Effect” means (a) with respect to the Agency, a material and adverse effect on the financial condition or operations of the Agency, or (b) with respect to this Resolution, a material adverse effect upon (i) the enforceability of this Resolution, (ii) the ability of the Agency to perform its obligations under this Resolution, or (iii) the rights of or benefits or remedies available to the Purchase under this Resolution.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except:

- (1) Bonds canceled by the Agency;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 8.01; and
- (3) Bonds in lieu of or in substitution for which replacement Bonds shall have been executed and delivered hereunder.

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

“Owner” or “Bond owner” means the registered owner of any Outstanding Bond.

“Parity Debt” means all bonds, notes, loan agreements, or other obligations of the Agency, payable from and secured by a pledge of and lien upon any of the Tax Revenues incurred on a parity with the payment of the Bonds pursuant to Section 2.10 hereof.

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

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, but excluding CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

Farmers Home Administration (FmHA)

Certificates of beneficial ownership

Federal Housing Administration Debentures (FHA)

General Services Administration

Participation certificates

Government National Mortgage Association (GNMA or "Ginnie Mae")

GNMA – guaranteed mortgage-backed bonds

GNMA – guaranteed pass-through obligations (participation certificates)

(not acceptable for certain cash-flow sensitive issues.)

U.S. Maritime Administration

Guaranteed Title XI financing

U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local District Bonds

New Communities Debentures – U.S. Government guaranteed debentures

U.S. Public Housing Notes and Bonds – U.S. Government guaranteed public housing notes and bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

Federal Home Loan Bank System

Senior debt obligations

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")

Participation certificates

Senior debt obligations

Federal National Mortgage Association (FNMA or "Fannie Mae")

Mortgage-backed securities and senior debt obligations

Resolution Funding Corp. (REFCORP) obligations

Farm Credit System

Consolidated system-wide bonds and notes

Federal Agriculture Mortgage Association

Tennessee Valley District

4. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m," or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2."

5. Certificates of deposit secured at all times by collateral described in 1 and/or 2 above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF. In addition to the authority to invest funds in certificates of deposit set forth in this subsection (6), an investment in nonnegotiable certificates of deposit made in accordance with the following conditions is an authorized investment: (i) the financial institution selected by the Agency arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Agency; (ii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States of America or an instrumentality of the United States of America; (iii) the financial institution selected by the Agency acts as custodian for the Agency with respect to the certificates of deposit issued for the account of the Agency.

7. Investment agreements, including GIC's, forward purchase agreements and reserve fund put agreements.

8. Commercial paper rated, at the time of purchase, "Prime -1" by Moody's and "A-1" or better by S&P.

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

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

11. Repurchase agreements for 30 days or less must follow the following criteria:

(i) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Agency (buyer/lender), and the transfer of cash from the Agency to the dealer bank or securities firm with an agreement that the dealer bank

or securities firm will repay the cash plus a yield to the Agency in exchange for the securities at a specified date.

12. Medium-term Notes: Corporate notes issued by corporations organized and operating within the United States with a rating of "AAA" or higher at the time of purchase by a nationally recognized rating service and with a maximum remaining maturity of no more than three (3) years after the date of purchase.

13. The Local Agency Investment Fund created pursuant to Section 16429.1 of the California Government Code, to the extent the Agency is authorized to register such investment in its name.

14. The Fresno County Pooled Investment Fund.

15. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.

"Prior Obligations" means, collectively, (i) the outstanding amount of Redevelopment Agency of the City of Firebaugh, Firebaugh Redevelopment Project Tax Allocation Bonds, 2005 Series A (the "2005 Series A Bonds"), and (ii) the outstanding amount of Redevelopment Agency of the City of Firebaugh, Firebaugh Redevelopment Project Taxable Tax Allocation Bonds, 2005 Series B (the "2005 Series B Bonds").

"Purchaser" means TPB Investments Inc., a wholly owned subsidiary of Western Alliance Bank, an Arizona corporation, or an affiliate thereof as designated in the Agency Issuance Certificate, as original purchaser of the Bonds, its successors and assigns, or any subsequent Owner or Owners of the Bonds.

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

"Record Date" means the fifteenth day of the calendar month prior to an Interest Payment Date.

"Redemption Account" means the account of that name established by the Agency pursuant to Section 3.03 hereof.

"Redevelopment Obligation Retirement Fund" means the fund by that name established pursuant to Section 34170.5 (b) of the Law and administered by the Agency.

"Redevelopment Plan" means the Redevelopment Plan for the Firebaugh Redevelopment Project, approved by Ordinance No. 83-4 enacted by the City Council of the City on June 21, 1983, together with any amendments thereof hereafter duly enacted pursuant to the Redevelopment Law.

“Redevelopment Project” means the project area described in the Redevelopment Plan.

“Redevelopment Property Tax Trust Fund” means the fund by that name established pursuant to Section 34170.5 (a) of the Law and administered by the County auditor-controller.

“Resolution” means this Resolution, as originally approved and as it may from time to time be amended or supplemented in accordance herewith.

“Serial Bonds” means Bonds for which no mandatory sinking account payments are provided.

“Series,” when used with reference to the Bonds, means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Resolution authorizing such Bonds as a separate Series of Bonds, including the 2014A Bonds and the 2014B Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Resolution.

“State” means the State of California.

“Tax Revenues” means the monies deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subsection (b) of Section 34170.5 of the Law and administered pursuant to subsections (c) and (d) of Section 34172(d), as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law that are equal to that portion of taxes levied upon taxable property in the Redevelopment Project and received by the Agency on or after the date of issue of the Bonds, pursuant to subsection (b) of Section 16 of Article XVI of the Constitution of the State. In accordance with the Dissolution Act, the Bonds shall be payable from and secured by, and Tax Revenues shall include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Health & Safety Code Section 34183. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then 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; excluding amounts which prior to the adoption of the Dissolution Act were required to be deposited into the Original Agency low and moderate income housing fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Law.

“Term Bonds” means Bonds which are payable on or before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“2014A Bonds means the not-to-exceed \$3,755,000 principal amount of Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project Tax Allocation Refunding Bonds, 2014 Series A authorized hereby and at any time Outstanding hereunder that are issued by the Agency under and pursuant to Article II of this Resolution.

“2014B Bonds means the not-to-exceed \$2,745,000 principal amount of Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2014 Series B authorized hereby and at any time Outstanding hereunder that are issued by the Agency under and pursuant to Article II of this Resolution.

“Written Request of the Agency” means an instrument in writing signed by the Chair, the Executive Director, the Treasurer or the Secretary (each an “Authorized Officer,” acting for the Agency) or by any other officer of the Agency duly authorized to act for the Agency for that purpose.

Section 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners, this Resolution shall be deemed to be and shall constitute a contract by and among the Agency and the Owners to secure the full and final payment of the interest and principal and redemption premiums, if any, to be made by the Agency on the Bonds, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Agency shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Bonds over any other Bonds by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II TERMS AND CONDITIONS OF BONDS

Section 2.01. Preparation of Bonds. The Agency hereby authorizes the issuance of (i) the 2014A Bonds in an aggregate principal amount not to exceed \$3,755,000, and (ii) the 2014B Bonds in an aggregate principal amount not to exceed \$2,745,000. The Bonds shall be purchased by the Purchaser from the Agency in immediately available funds as provided herein. The 2014A Bonds will mature no later than December 1, 2035, the 2014B Bonds will mature no later than December 1, 2026, as set forth in the Agency Issuance Certificate, and the Bonds shall bear interest as set forth in Section 2.03 hereof. The 2014A Bonds shall be designated “Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Tax Allocation Refunding Bonds, 2014 Series A,” and the 2014B Bonds shall be designated “Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Taxable Tax Allocation Refunding Bonds, 2014 Series B.”

Section 2.02. Denominations, Medium, Method and Place of Payment and Dating of Bonds. The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations, in the principal amount set forth in the Agency Issuance Certificate. Interest on the Bonds shall be payable on the Interest Payment Dates to the Owners thereof as of the Record Date pursuant to the books required to be kept by the Agency pursuant to the provisions of Section 2.07 hereof by wire of Federal Reserve funds to an account within the United States as designated by the Owner. The principal of the Bonds shall be payable on (or on a redemption date prior thereto) the dates set forth in the Agency Issuance Certificate, upon surrender thereof to the Agency; provided, however, that payment of a portion of the Bonds under mandatory

sinking fund redemptions shall not require surrender of the Bonds in connection with such redemption.

The Bonds shall be dated as of the Closing Date, and bear interest from the Interest Payment Date immediately preceding the date of delivery to the original Purchaser thereof, unless such date of authentication is on or after the fifteenth (15th) day of the calendar month prior to an Interest Payment Date, in which case they shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before the fifteenth (15th) day of the calendar month prior to the first Interest Payment Date, in which case they shall bear interest from the Closing Date.

Section 2.03. Interest on the Bonds. Interest on the Bonds shall be paid on each Interest Payment Date at the rates set forth in the Agency Issuance Certificate; provided, that interest on the 2014A Bonds shall not exceed 5.00% per annum, and interest on the 2014B Bonds shall not exceed 6.75% per annum. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If the Agency fails to make any of the payments required in Sections 2.02 or 2.03, the payment in default will continue as an obligation of the Agency until the amount in default has been fully paid, and the Agency agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Default Rate.

If the Agency either (i) receives notice, in any form, from the Internal Revenue Service, or (ii) reasonably determines, based on an opinion of independent tax counsel, that the Owners of the 2014A Bonds may not exclude the interest on the 2014A Bonds from federal gross income because the Agency breached a covenant contained in this Resolution, then the Agency shall pay to the Owners of the 2014A Bonds, within thirty (30) days after an Owner of the 2014A Bonds notifies the Agency of such determination, the amount which, with respect to interest payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest on the 2014A Bonds due through the date of such event) that are imposed as a result of the loss of the exclusion, will restore the Owners of the 2014A Bonds the same after tax yield on the 2014A Bonds (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, the Agency agrees that upon the occurrence of such an event, it shall pay interest to the Owners of the 2014A Bonds on each succeeding Interest Payment Date calculated at the Gross Up Rate.

Section 2.04. Form of Bonds. The Bonds and the assignment to appear thereon shall be in substantially the form set forth in Appendix A hereto with appropriate or necessary insertions, omissions and variations as permitted or required hereby. The Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Agency, shall be without coupons and may contain such reference to any of the provisions hereof as may be appropriate.

Section 2.05. Execution of Bonds; Delivery Conditions. The Bonds shall be executed by the manual signature of the Chair, Vice Chair or Executive Director of the Agency, and shall be

attested to by the manual signature of the Agency Secretary or Assistant Agency Secretary of the Agency.

The Agency shall deliver the Bonds only upon receiving a closing certificate from the Purchaser substantially in the form set forth as Appendix B hereto, and written confirmation from the Purchaser that it has received copies of the following:

- (i) This Resolution.
- (ii) Executed copy of the Agency Issuance Certificate.
- (iii) Closing certificate of the Agency.
- (iv) Certificate of the Agency as to no arbitrage.
- (v) Closing opinion of counsel to the Agency.
- (vi) Final Approving Legal Opinion of Bond Counsel, together with a reliance letter addressed to the Purchaser.
- (vii) A supplemental opinion of Bond Counsel, addressed to the Purchaser, to the effect that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
- (viii) Defeasance opinion of Bond Counsel, addressed to the Agency and the Purchaser.

Section 2.06. Transfer and Exchange of Bonds. (a) Each Bond shall be transferable only upon a register of the names of each Owner (the "Bond Register"), which shall be kept for that purpose by the Agency, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Agency duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Bond, the Agency shall provide in the name of the transferee, a new Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bonds (unless there has occurred a partial redemption of such Bond pursuant to Section 4.01 hereof, in which case the principal amount of the new Bond shall be equal to the unredeemed principal amount of the Bond submitted for transfer).

(b) The Agency shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the Agency shall not be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Agency shall execute and deliver Bonds in accordance with the provisions of this Article. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Agency. For every such exchange or transfer of Bonds, whether temporary or definitive, the Agency may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Agency, required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision hereof, the cost of preparing each new Bond and any other expenses of the Agency incurred in connection therewith (except any applicable tax, fee or other governmental charge other than one imposed by the Agency) shall be paid by the Agency. The Agency shall not be obliged to effect any exchange or transfer of any Bond during the period after the mailing of notice calling such Bond or a portion thereof for redemption, nor during the fifteen (15) days preceding the giving of such notice of redemption.

(c) The following provisions shall apply to all sales and transfers of the Bonds after the initial sale and delivery of the Bonds:

(i) The Bonds, in the form attached hereto as Exhibit A, shall be physical certificated instruments, and shall not be held in a book-entry only system.

(ii) The Bonds shall only be sold and transferred in Authorized Denominations to (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, or (ii) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended.

(iii) The Purchaser shall not sell or transfer the Bonds, or any participation therein, without complying with all applicable securities laws.

(iv) No transfer or sale shall be made that would cause there to be more than 15 Registered Owners of the Bonds or the creation of any interest in the Bonds in an aggregate principal amount of less than \$100,000. In the event that an Owner is proposing to transfer its Bond which would cause the total number of Registered Owners to exceed 15, then the Agency shall so notify the Owner and shall not be obligated to make such proposed transfers.

(v) No such sale or transfer will be effective unless and until the Purchaser has filed with the Agency, at least five (5) Business Days' prior to the effective date of such sale or transfer, written notice thereof and an executed copy of an investor's letter addressed to the Agency substantially in the form of the letter delivered by the Purchaser on the Closing Date.

Section 2.07. Bond Registration Books. The Agency shall keep or cause to be kept a Bond Register; and, upon presentation for such purpose, the Agency shall, under such reasonable regulations consistent herewith as it may prescribe, register or transfer or cause to be registered or transferred, on the Bond Register, Bonds as herein before provided.

Section 2.08. Bonds Mutilated, Destroyed, Lost or Stolen. If any Bond shall become mutilated, the Agency, at the expense of the Owner of said Bond, shall execute and deliver a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Agency of the Bond so mutilated. Every mutilated Bond so surrendered to the Agency shall be canceled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Agency, and, if such evidence is satisfactory to the Agency and if an indemnity satisfactory to the Agency shall be given, the Agency, at the expense of the Owner, shall execute and deliver a new Bond of like tenor and numbered as the Agency shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Agency may require payment of a reasonable fee for each new Bond delivered under this Section and of the reasonable expenses which may be incurred by the Agency in carrying out the duties under this Section 2.08. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured by the Resolution. The Agency shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued under the Resolution or for the purpose of determining any percentage of Bonds Outstanding under the Resolution, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section 2.08, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, destroyed or stolen and which has matured, the Agency may make payment of such Bond upon receipt of indemnification satisfactory to the Agency.

Section 2.09. Evidence of Signatures of Bond Owners and Ownership of Bonds. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Resolution to be signed or executed by Bond Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bond Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose hereof (except as otherwise herein provided), if made in the Form of the Assignment attached to the Bond in Appendix A hereto.

Nothing contained in this Article shall be construed as limiting the Agency to such proof, it being intended that the Agency may accept any other evidence of the matters herein stated which to the Agency may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Agency in pursuance of such request or consent.

Section 2.10. Parity and Subordinate Debt. **Parity Debt.** In addition to the Bond, the Agency may issue or incur Parity Debt in such principal amount as shall be determined by the Agency, pursuant to a supplemental resolution or indenture adopted or entered into by the Agency. The Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

(a) The Agency shall be in compliance with all covenants set forth in this Resolution and all supplemental resolutions.

(b) The Tax Revenues estimated to be received for the then current Bond Year based on the most recent assessed valuation of property in the Redevelopment Project as evidenced in the written records of the County, plus (at the option of the Agency) the Additional Revenues, shall be as follows:

(i) at least equal to one hundred thirty-five percent (135%) of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns thirty percent (30%) or more of the assessed valuation of properties in the Redevelopment Project;

(ii) at least equal to one hundred twenty-five percent (125%) of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns twenty-five percent (25%) or more but less than thirty percent (30%) of the assessed valuation of properties in the Redevelopment Project; or

(iii) at least equal to one hundred twenty percent (120%) of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns less than twenty-five percent (25%) of the assessed valuation of properties in the Redevelopment Project.

For purposes of the calculation of Tax Revenues under this paragraph (b), the tax rate for the property in the Redevelopment Project shall be assumed to be one percent (1%).

(c) The supplemental resolution or indenture providing for the issuance of such Parity Debt shall provide that interest thereon shall not be payable on any dates other than June 1 and December 1, and principal thereof shall be payable on December 1 in any year in which principal is payable.

(d) The issuance of such Parity Debt shall not cause the Agency to exceed any applicable Plan Limitations, taking into account all payments due under the Pass-Through Agreements.

(e) The Agency shall deliver to the Purchaser (if the Purchaser then owns all Outstanding Bonds) a Certificate of the Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in this Section 2.10 have been satisfied.

Issuance of Subordinate Debt. In addition to the Bonds and any Parity Debt, from time to time the Agency may issue or incur additional Subordinate Debt in such principal amount as shall be determined by the Agency, provided that the issuance of such Subordinate Debt shall not cause the Agency to exceed any applicable Plan Limitations.

Section 2.11. Transfer of Ownership. The Purchaser, and any transferee, shall be required to represent in the investor letter required by Section 2.06(c)(v) that such purchaser is acquiring the Bonds for its own account for the purpose of investment and not with a view to the distribution thereof and that such purchaser has no present intention of selling, negotiating, or otherwise disposing of the Bonds.

ARTICLE III

PROCEEDS OF BONDS; PLEDGE OF REVENUES; CREATION OF FUNDS

Section 3.01. Delivery of Bonds; Payment of Debt Service. The Authorized Officers are hereby authorized to execute the Bonds and upon receipt of the proceeds of sale thereof deliver the Bonds to the Purchaser.

Section 3.02. Depositing of Proceeds of Bonds and Other Amounts. On the Closing Date the Agency shall receive the purchase price of the Bonds, in the amount set forth in the Agency Issuance Certificate. The proceeds shall be transferred and deposited as set forth in the Agency Issuance Certificate, including an amount sufficient to prepay in whole the Prior Obligations.

Section 3.03. Pledge of Tax Revenues. All the Tax Revenues in the Redevelopment Obligation Retirement Fund, and all money in the Debt Service Fund and in the funds or accounts so specified and provided for in this Resolution, are hereby irrevocably pledged to the punctual payment of the interest on and principal of the Bonds, and the Tax Revenues and such other money shall not be used for any other purpose while any of the Bonds remain Outstanding; subject to the provisions of this Resolution permitting application thereof for the purposes and on the terms and conditions set forth herein. This pledge shall constitute a first lien on the Tax Revenues and such other money for the payment of the Bonds in accordance with the terms thereof.

Section 3.04. Redevelopment Obligation Retirement Fund; Debt Service Fund; Receipt and Deposit of Tax Revenues. Pursuant to Section 34170.5 (b) of the Law, there is established a special fund to be known as the "Redevelopment Obligation Retirement Fund" which is held by the Agency. The Agency shall promptly deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund. All Tax Revenues received by the Agency during any Bond Year in excess of the amount required to be deposited in the Redevelopment Obligation Retirement Fund to pay debt service on the Bonds during such Bond Year pursuant to the preceding sentence shall be released from the pledge and lien hereunder. So long as any Bonds remain Outstanding hereunder, the Agency shall not have any beneficial interest in or right to the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Resolution.

There is hereby established a special fund to be known as the "Firebaugh Redevelopment Project Debt Service Fund" (the "Debt Service Fund") which shall be held by the Agency. On or before five (5) days preceding each Interest Payment Date, the Agency shall transfer from the Redevelopment Obligation Retirement Fund to the Debt Service Fund the amount required to be paid pursuant to Section 3.05; provided, that the Agency shall not be obligated to transfer in any Bond Year an amount of Tax Revenues which, together with other available amounts then in the Debt Service Fund, exceeds the amounts required pursuant to Section 3.05 hereof. There shall not be deposited any taxes eligible for allocation to the Agency for deposit in the Debt Service Fund in an amount in excess of that amount which, together with all money then on deposit in the Debt Service Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Section 3.05.

All such Tax Revenues deposited in the Redevelopment Obligation Retirement Fund shall be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

Section 3.05. Establishment and Maintenance of Accounts for Use of Moneys in the Debt Service Fund. The Agency shall set aside in the Debt Service Fund in each Bond Year an amount which, together with any money contained therein, is equal to the aggregate amount of the principal (including Sinking Fund Installments) and interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Debt Service Fund if the amount contained therein is at least equal to the aggregate amount of the principal and interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Debt Service Fund shall be used and withdrawn by the Agency solely for the purpose of paying the principal of and interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity). All moneys in such fund shall be held in trust by the Agency and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 3.05.

If during any Bond Year (i) Tax Revenues remain in the Debt Service Fund after providing (or otherwise reserving) for all deposits required by this Section during such Bond Year, and (ii) the Agency is not in default hereunder, then the Agency shall transfer any amount remaining on deposit in the Debt Service Fund to be used for any lawful purpose of the Agency.

Section 3.06. Investment of Funds. Amounts on deposit in any fund or account created pursuant to this Resolution shall be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. The Purchaser and any affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any such investment. Interest or profit received on such investments shall be deposited to the Debt Service Fund. In computing the amount in any fund or account, Permitted Investments shall be valued at market value, exclusive of accrued interest.

Except for investment agreements and repurchase agreements, if at any time after investment therein a Permitted Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds ten percent (10%) of invested funds, such Permitted Investment shall be sold or liquidated.

Section 3.07. Liability of Agency Limited. Notwithstanding anything contained herein, the Agency shall not be required to advance any moneys derived from any source of income other than Tax Revenues legally available therefor in the Redevelopment Obligation Retirement Fund and the other funds provided herein for the payment of the Bonds, or for the performance of any agreements or covenants contained herein required to be performed by it.

The obligation of the Agency to make the principal of and interest on the Bonds and the other amounts due hereunder is a special obligation of the Agency payable solely from the moneys legally available therefor hereunder, and does not constitute a debt of the Agency or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

ARTICLE IV REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) Optional Redemption. Except as otherwise provided in the Agency Issuance Certificate, the 2014A Bonds are subject to optional redemption on any date on or after December 1, 2024, and the 2014B Bonds are subject to optional redemption on any date on or after December 1, 2024, in whole, but not in part, from any available source of funds, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(c) Mandatory Sinking Fund Redemption. The Bonds are subject to redemption pursuant to mandatory sinking fund payments, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the aggregate principal amounts and on the dates set forth in the Agency Issuance Certificate.

All redemptions of principal shall be applied on the most remote sinking fund installment or installments then unpaid.

Section 4.02. Notice of Redemption; Rescission. When redemption is authorized or required pursuant to this Article, other than a mandatory sinking fund redemption, the Agency shall give notice (the "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall be given at least thirty (30) but not more than forty-five (45) days prior to the redemption date or (ii) immediately upon receipt of Net Proceeds from insurance or condemnation awards which are to be used to redeem Bonds. Such Redemption notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in

part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, and (e) if less than all the Bonds of a maturity are to be redeemed, the certificate numbers of the Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the amount of such Bond to be redeemed. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

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

Neither failure to receive any Redemption Notice nor any defect in such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Section 4.03. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Agency shall execute and deliver to the Owner thereof a new Bond or Bonds equal to the unredeemed principal amount of the Bond surrendered.

Section 4.04. Effect of Redemption. Notice having been given as aforesaid, the portion of Bonds to be redeemed shall become due and payable on said redemption date, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Bonds shall be paid at the unpaid principal amount and premium, if any, with respect thereto, plus any unpaid and accrued interest to said redemption date.

On said redemption date, interest with respect to the portion of Bonds to be redeemed shall cease to accrue and become payable. If moneys sufficient for the redemption of all the Bonds to be redeemed, together with interest to said redemption date, shall not be so available on said redemption date, interest with respect to such portion of Bonds shall continue to be payable until paid at the same rates as they would have been payable had they not been called for redemption. All moneys held for the redemption of particular Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed for the lesser of two (2) years or the period ending one day prior to the date such moneys would escheat to the State. Subject to any applicable escheat laws, after the earlier of two (2) years or the period ending one day prior to the date such moneys would escheat to the State, such moneys may be used for any lawful purpose of the Agency.

ARTICLE V COVENANTS OF THE AGENCY

Section 5.01. Compliance with Resolution. The Agency will not suffer or permit any material default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02. Observance of Laws and Regulations. The Agency will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.03. Accounting Records and Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Purchaser or of the Owners of not less than ten per cent (10%) of the aggregate principal amount of the Bonds then Outstanding or their representatives authorized in writing.

The Agency will prepare and file with the Purchaser annually as soon as practicable, but in any event not later than two hundred seventy (270) days after the close of each Fiscal Year, so long as any Bonds are Outstanding, an audited financial statement relating to the Tax Revenues and all other funds or accounts established pursuant to the Resolution for the preceding Fiscal Year prepared by an Independent Certified Public Accountant, showing the balances in each such fund as of the beginning of such Fiscal Year and all deposits in and withdrawals from each such fund during such Fiscal Year and the balances in each such fund as of the end of such Fiscal Year, which audited financial statement shall include a statement as to the manner and extent to which the Agency has complied with the provisions of this Resolution as it relates to such funds. The Agency will furnish a copy of such audited financial statement to any Owner upon written request.

Section 5.04. Further Assurances. Whenever and so often as requested to do so by any Owner, the Agency will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Resolution.

Section 5.05. Punctual Payment. The Agency will punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, but only from Tax Revenues, in strict conformity with the terms of the Bonds and of this Resolution and

will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of this Resolution. The Agency will take all actions required under the Dissolution Act to include on the Recognized Obligation Payment Schedules for each six-month period all payments to the Agency to satisfy the requirements of the Resolution.

Section 5.06. Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues, except as provided in the Resolution, and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Tax Revenues (other than Parity Debt).

Section 5.07. Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.08. Payment of Claims. Subject to the terms of the Dissolution Act, the Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

Section 5.09. Protection of Security and Rights of Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

Section 5.10. Payment of Taxes and Other Charges. Subject to the provisions of Section 5.12 hereof, the Agency will pay and discharge all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any properties owned by the Agency in the Redevelopment Project, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

Section 5.11. Amendment of Redevelopment Plan. If the Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Purchaser a Consultant's report on the effect of such proposed amendment. If the Consultant's report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Agency may adopt such amendment. If the Consultant's report concludes that Tax Revenues will be materially reduced by such

proposed amendment, the Agency shall not adopt such proposed amendment. The Purchaser shall be entitled to rely upon any said report and shall have no duty to verify the information or statements set forth therein.

Section 5.12. Compliance with the Dissolution Act. The Agency covenants that in addition to complying with the requirements of the second sentence of Section 5.05 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency with its covenants under the Resolution. Further, the Agency will take all actions required under the Dissolution Act to include scheduled debt service on the Bonds 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 Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period plus the deposits required to the extent Tax Revenues are available from the Redevelopment Project, to fund the payments due on the Outstanding Bonds on December 1 of the then current Bond Year. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the 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 the Resolution when the next property tax allocation is projected to be insufficient to pay all obligations due under the Resolution for the next payment due in the following six-month period.

Section 5.13. Tax Covenants. The Agency shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest on the 2014A Bonds to become includable in gross income for federal income tax purposes. To that end, the Agency hereby makes the following specific covenants:

(a) The Agency hereby covenants that it shall not make or permit any use of the proceeds of the Series 2014A Bonds that may cause the Series 2014A Bonds or the 2005 Series A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The Agency covenants that the proceeds of the 2014A Bonds will not be used as to cause the proceeds on the 2014A Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The Agency covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2014A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.14. Annual Review of Tax Revenues. The Agency hereby covenants that it will annually review the total amount of Tax Revenues remaining available to be received by the Agency under the Redevelopment Plan's cumulative tax increment limitation, as well as future

cumulative Annual Debt Service. The Agency will not accept Tax Revenues greater than Annual Debt Service, in any year, if such acceptance will cause the amount remaining under the tax increment limit to fall below remaining cumulative Annual Debt Service, except for the purpose of depositing such revenues in escrow for the payment of interest on and principal of and redemption premiums, if any, on the Bonds.

Notwithstanding the foregoing, if legislation is adopted by the legislature of the State of California eliminating the effective limit on the amount of taxes which can be allocated to the Agency pursuant to the Law and the Redevelopment Plan, the deposit of Tax Revenues in escrow required by this Section 5.14 for the purpose of paying the payment of debt service on the Bonds and any additional bonds or obligations superior to or on a parity with the pledge and lien created in the Resolution for the benefit of the Bonds shall no longer be required.

Section 5.15. Notices to Purchaser. The Agency shall provide notice to the Purchaser, in writing, within 10 days:

(i) Notice of any event which constitutes or could reasonably be expected to have a Material Adverse Effect; and

(ii) Notice of any dissemination, distribution or provision thereof to any person, notice of any material event notice or other notice, report or statement disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240 15c2-12), or any successor or similar legal requirement, including any notice, report or statement or any other filings made by the Agency with the Municipal Securities Rulemaking Board's Electronic Market Access System.

ARTICLE VI DEFAULT

Section 6.01. Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) default shall be made in the due and punctual payment by the Agency of any principal of or interest on the Bonds when and as the same shall become due and payable, and such default shall continue for a period of five (5) Business Days after the Interest Payment Date;

(b) default shall be made by the Agency in the performance of any of the agreements or covenants contained herein required to be performed by it (other than as described in Section 6.01(a) above), and such default shall have continued for a period of sixty (60) days after the Agency shall have been given notice in writing of such default by an Owner;

(c) Any financial statement or certificate furnished to the Purchaser in connection with the purchase of the Bonds, or any representation or warranty made by the Agency shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(d) the Agency shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the Agency seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property; or

(e) an event of default shall have occurred with respect to any Parity Debt;

then and in each and every such case during the continuance of such Event of Default, the Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding, upon notice given in writing to the Agency, may exercise the remedies provided herein.

Upon the occurrence of an Event of Default hereunder, the Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding may declare the principal and interest with respect to all such Bonds immediately due and payable and such principal and interest shall thereupon be due and payable immediately.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such Outstanding principal amount of the Bonds and the accrued interest thereon shall have been so declared due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered, the Agency shall pay such amount due prior to such date and the accrued interest thereon, with interest on such overdue payments at the rate on such Bonds, and any and all other defaults known to the Agency (other than in the payment of such principal amount of the Bonds and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured or provision shall have been made therefor, then and in every such case the Owners, by written notice to the Agency, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 6.02. Other Remedies. The Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding may:

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the Agency, or any board member, officer or employee thereof, and compel the Agency or any such board member, officer or employee to perform and carry out its or his duties under applicable law and the agreements and covenants contained herein required to be performed by it or him;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Owners hereunder;

(c) intervene in judicial proceedings that affect the Bonds or the security therefor or hereunder; or

(d) by suit in equity upon the happening of an Event of Default require the Agency and its board members, officers and employees to account as the trustee of an express trust.

Section 6.03. Non-Waiver. A waiver of any default or breach of duty or contract by the Owners shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Owners to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding.

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

Section 6.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

Section 6.05. Application of Funds Upon Default. All monies received by any receiver pursuant to any right given or action taken under the provisions of this Article VI shall, after payment of the reasonable fees, expenses, liabilities and advances incurred or made by the Owners (including fees and expenses of attorneys and advisors), be applied as follows:

(a) Unless the principal of all Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum borne by the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Resolution), with interest on such Bonds at their rate from the respective dates upon which they

became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

ARTICLE VII AMENDMENT OF OR SUPPLEMENT TO RESOLUTION

Section 7.01. Amendment or Supplement by Consent of Owners. This Resolution and the rights and obligations of the Owners may be modified or amended at any time by a supplemental resolution which shall become effective when the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding shall have been received by the Agency. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Bond, or (2) reduce or have the effect of reducing the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution.

Notwithstanding the foregoing, the Resolution and the rights and obligations provided thereby may also be modified or amended at any time without the consent of any Owners of the Bonds, but only (1) for the purpose of curing, correcting or supplementing any defective provision contained in the Resolution, (2) in any manner which shall not materially adversely affect the interests of the Owners, (3) if and to the extent specified in an opinion of nationally recognized bond counsel, to make such additions, deletions or modifications as may be necessary to assure compliance with section 148(f) of the Code or otherwise as may be necessary to assure exclusion from gross income for purposes of federal income taxation of the interest on the 2014A Bonds, (3) to authorize the issuance of Parity Debt, or (4) to modify, amend or supplement this Resolution in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; provided that the Agency may rely in entering into any such amendment of the Resolution upon the opinion of nationally recognized bond counsel stating that the requirements of this sentence shall have been met with respect to such amendment.

Section 7.02. Disqualified Bonds. Bonds owned or held by or for the account of the Agency shall not be deemed Outstanding for the purpose of any consent or other action or any

calculation of Outstanding Bonds provided in this Article VII, and shall not be entitled to consent to or take any other action provided in this Article VII.

ARTICLE VIII DEFEASANCE

Section 8.01. Defeasance. Any Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Bonds Outstanding, as and when the same become due and payable;

(b) by depositing in trust, before maturity, money, which, together with the amounts which are then on deposit in the Debt Service Fund and available therefor, which is fully sufficient to pay such Bonds, including all principal and interest, at maturity or the date of redemption; or

(c) by depositing under an escrow deposit and trust agreement, cash, non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof) (the "Defeasance Obligations") in such amount as a nationally recognized certified public accountant shall determine will, together with the interest to accrue thereon, be fully sufficient to pay and discharge such Bonds (including all principal and interest), at maturity or the date of redemption; provided, however, that the Agency shall have provided an opinion of Bond Counsel that such deposit will not adversely affect the exclusion of interest on the Bonds from gross income of the Owners for federal income tax purposes. In the event of any shortfall, the Agency will deposit from legally available funds such amount as is necessary to make up such shortfall.

Notwithstanding that some Bonds may not have been surrendered for payment, all obligations of the Agency under the Resolution with respect to such defeased Bonds shall cease and terminate, except only the obligation of the Agency to pay or cause to be paid to the Owners of such Bonds all sums due thereon.

Any funds held by the Agency, at the time of one of the events described above in subsections (a), (b) or (c), which are not required for the payment to be made to Owners, shall be released from the lien of this Resolution.

ARTICLE IX MISCELLANEOUS

Section 9.01. Benefits Limited. Nothing contained herein, expressed or implied, is intended to give to any person other than the Agency and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of the Agency shall be for the sole and exclusive benefit of the Owners.

Section 9.02. Successor Deemed Included in all References to Predecessor. Whenever either the Agency or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Agency or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Agency or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 9.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his or her attorney of any declaration, request or other instrument or of any 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 or territory in which he purports to act, that the person signing such declaration, request 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, or by such other proof as the Agency may accept which it may deem sufficient.

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

Section 9.04. Waiver of Personal Liability. No board member, officer or employee of the Agency shall be individually or personally liable for the payment of the interest or principal the Bonds, but nothing contained herein shall relieve any board member, officer or employee of the Agency from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 9.05. Liability of Agency Limited to Tax Revenues. Notwithstanding anything herein contained, the Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the interest on or the principal of the Bonds or for the performance of any covenants herein contained. The Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and the principal and redemption premium, if any, of the Bonds. The Bonds are not a debt of the City of Firebaugh, the State of California or any of its political subdivisions, and neither said City, said State nor any of its political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Agency

nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Section 9.06. Acquisition of Bonds by Agency. All Bonds acquired by the Agency, whether by purchase or gift or otherwise, shall be canceled by the Agency.

Section 9.07. Content of Certificates. Every Certificate of the Agency with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a statement that, in the opinion of the signers they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (c) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of the Agency may be based, insofar as it relates to legal matters, upon an opinion of counsel unless the person making or giving such certificate knows that the opinion of counsel with respect to the matters upon which such certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any opinion of counsel may be based, insofar as it relates to factual matters or information with respect to which is in the possession of the Agency, upon a representation by an officer or officers of the Agency unless the counsel executing such opinion of counsel knows that the representation with respect to the matters or upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 9.08. Notice by Mail. Any notice required to be given hereunder by mail to any Owners shall be given by mailing a copy of such notice, first class postage redeemed, to the Owners at their addresses appearing in the books required to be kept by the Agency pursuant to the provisions of Section 2.07 not less than thirty (30) days nor more than sixty (60) days following the action or prior to the event concerning which notice thereof is required to be given unless this Resolution expressly provides a different provision; provided, that receipt of any such notice shall not be a condition precedent to the effect of such notice and failure to receive any such notice shall not affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given. All notices, requests and demands which the Agency is required to give to the Purchaser under any provision of this Resolution must be in writing delivered to the address set forth in the Agency Issuance Certificate, or to such other address as the Purchaser may designate by written notice to the Agency. Each such notice, request and demand shall be deemed given or made as follows: (a) if sent by hand delivery, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

Section 9.09. Funds. Any fund or account required to be established and maintained herein by the Agency may be established and maintained in the accounting records of the Agency either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a

fund; but all such records with respect to all such funds shall at all times be maintained in accordance with industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 9.10. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular article, section, subdivision or clause hereof.

Section 9.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Agency shall be contrary to law, then such agreement or agreements, such condition or conditions such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law.

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

Section 9.13. Execution in Counterparts. This Resolution may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 9.14. Payments Due on Days that are not Business Days. In any case where the date fixed for payment of principal or interest on the Bonds or the date fixed for redemption of Bonds shall not be a Business Day, then payment of such principal or interest or redemption price shall be made on the next succeeding Business Day, with the same force and effect as if made on such non-Business Day and no interest shall accrue on such amounts from and after such non-Business Day.

Section 9.15. Recovery of Costs. Staff is hereby authorized and ordered to take all actions necessary recover reasonable costs incurred in connection with this transaction from the proceeds of the Bonds or, if the Agency is not able to issue its bond, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Agency as such allowance is defined in Health and Safety Code Section 34171(b)."

Section 9.16. Further Action. Upon approval by the Agency, the Agency hereby directs the City Manager and other appropriate officers and employees of the City to submit or cause to be submitted all legal proceedings and documents to issue the Bonds to the Oversight Board and the State Department of Finance for consideration at the earliest practical opportunity, and to

further forward items submitted to the Oversight Board for approval to the administrative officer and auditor-controller of Fresno County as required by law.

Section 9.17. Miscellaneous. The Authorized Officers are hereby authorized and directed, jointly and severally, to perform any and all actions and to execute and deliver any and all certificates, opinions and documents, including an agreement with the Purchaser, a Placement Agent Agreement and escrow instructions with respect to the 2005 Bonds, which they deem necessary and advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby and thereby, and any such actions previously taken by such Authorized Officers are hereby ratified and affirmed.

Section 9.18. Effective Date of Resolution. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Successor Agency to the Firebaugh Redevelopment Agency held on the 19th day of May, 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

Attest:

Agency Secretary

I hereby certify that the above Resolution No. 14-16 was duly introduced, read and adopted by the Agency at a regular meeting held on May 19, 2014.

Agency Secretary

**APPENDIX A-1
(FORM OF 2014A BOND)**

No. 1

\$ _____ .00

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED TO ONE OR MORE ACCREDITED INVESTORS OR QUALIFIED INSTITUTIONAL BUYERS UPON SATISFACTION OF THE REQUIREMENTS IN THE RESOLUTION, AND SUBJECT TO THE LIMITATION IN THE RESOLUTION THAT THE TRANSFER OF THE BOND SHALL NOT CAUSE THE NUMBER OF REGISTERED OWNERS OF THE BONDS TO EXCEED 15. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE RESOLUTION SHALL BE VOID AND OF NO EFFECT.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS
2014 SERIES A**

Rate of Interest

Maturity Date

Dated Date

_____%

December 1, 20__

_____, 2014

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS AND 00/100

The Successor Agency to the Firebaugh Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Agency"), for value received, hereby promises to pay (but only out of the Tax Revenues hereinafter referred to) to the registered owner specified above or registered assigns on the maturity date specified above (subject to any right of prior redemption provided for) the principal sum specified above, together with interest thereon from the Interest Payment Date (defined below) next preceding the date of authentication hereof (unless such date of authentication is during the period commencing after the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") through and including the next succeeding Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date, or unless such date of authentication is on or prior to the first Record Date, in which event it shall bear interest from the Dated Date until the principal hereof shall have been paid at the interest rate per annum specified above, payable on December 1, 2014, and semiannually thereafter on June 1 and December 1 in each year (each, an "Interest Payment Date"); provided, however, that if on the date of authentication of this Bond, interest is then in default on this Bond, such Bond shall bear interest

from the Interest Payment Date to which interest has previously been paid or made available for payment.

If the Agency fails to make any of the payments of scheduled principal or interest, the payment in default will continue as an obligation of the Agency until the amount in default has been fully paid, and the Agency agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Default Rate. If the Agency either (i) receives notice, in any form, from the Internal Revenue Service, or (ii) reasonably determines, based on an opinion of independent tax counsel, that the Owners of the Bonds may not exclude the interest on the Bonds from federal gross income because the Agency breached a covenant contained in the Resolution, then the Agency shall pay to the Owners of the Bonds, within thirty (30) days after an Owner of the Bonds notifies the Agency of such determination, the amount which, with respect to interest payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest on the Bonds due through the date of such event) that are imposed as a result of the loss of the exclusion, will restore the Owners of the Bonds the same after tax yield on the Bonds (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, upon the occurrence of such an event, the Agency shall pay interest to the Owners of the Bonds on each succeeding Interest Payment Date calculated at the Gross Up Rate.

The principal of this Bond shall be payable in lawful money of the United States of America upon presentation and surrender of this Bond; provided, however, that payment of a portion of the Bonds under mandatory sinking fund redemptions shall not require surrender of the Bonds in connection with such redemption.

Payment of interest on this Bond due on or before the maturity or prior redemption thereof shall be payable on the Interest Payment Dates to the Owners thereof as of the Record Date pursuant to the books required to be kept by the Agency pursuant to the Resolution, by wire of Federal Reserve funds to an account within the United States as designated by the Owner. Interest on this Bond shall be payable in lawful money of the United States of America and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the Agency designed as its "Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Tax Allocation Refunding Bonds, 2014 Series A" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Resolution No. 14-16 of the Agency, adopted May 19, 2014 (the "Resolution"). The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in Authorized Denominations (as defined in the Resolution). The Agency is authorized to issue its revenue bonds for any of its corporate purposes pursuant to the provisions of the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Law"), and Article and 11, Division 2, Title 5 (commencing with Section 53580) of the California Government Code, as amended (the "Refunding Law").

Simultaneously with the issuance of the Bonds, the Agency is issuing its "Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Taxable Tax Allocation Refunding Bonds, 2014 Series B" (the "2014B Bonds"), in the aggregate principal amount of _____ Dollars (\$ _____), on a parity basis with the Bonds.

The Bonds are issued to provide funds to aid in the refinancing of certain redevelopment projects and activities in the City of Firebaugh, California through the refunding of certain outstanding bonds, as more particularly described in the Resolution. The Bonds are special obligations of the Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from the Tax Revenues (as that term is defined in the Resolution and herein called the "Tax Revenues"), and the Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds.

The Agency hereby covenants and warrants that, for the payment of the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds issued under the Resolution when due, there has been created and will be maintained a special fund into which all Tax Revenues shall be deposited, and as an irrevocable charge the Agency has allocated the Tax Revenues solely to the payment of the interest on and principal of and redemption premiums, if any, on the Bonds, and the Agency will pay promptly when due the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds of this issue and all additional tax allocation bonds authorized by the Resolution out of said special fund, all in accordance with the terms and provisions set forth in the Resolution.

Copies of the Resolution are on file at the Agency's office. Reference is hereby made to the Resolution and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the Owners of the Bonds with respect thereto and for the other agreements, conditions, covenants and terms upon which the Bonds are executed and delivered thereunder.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution may be amended or supplemented in writing by the parties thereto (in certain instances without the consent of the Owners of Bonds), but no such amendment or supplement shall (i) reduce the rate of interest evidenced hereby or extend the time of payment of such interest or reduce the amount of principal hereof or extend the Maturity Date hereof without the prior written consent of the Owner hereof, or (ii) reduce the percentage of Owners of Bonds whose consent is required for the execution of any amendment of or supplement to the Resolution.

This Bond is transferable or exchangeable by the Owner hereof in person or by the Owner's attorney duly authorized in writing, subject to limitations on transfers provided in the Resolution, and upon surrender of this Bond for cancellation accompanied by delivery of a duly

executed written instrument of transfer or exchange in a form approved by the Agency. Upon such transfer or exchange, a new Bond or Bonds of authorized denominations of the same Maturity Date and interest rate and in the same aggregate principal amount hereof will be executed and delivered by the Agency to the Owner thereof in exchange therefor.

The Agency shall not be obligated to make any such registration of transfer or exchange of Bonds during the fifteen (15) day period prior to the date on which notice of redemption must be mailed pursuant to the Resolution, or with respect to any Bond which has been selected for redemption pursuant to the Resolution (except any unredeemed portion thereof).

[REDEMPTION PROVISIONS TO COME]

This Bond is not a debt of the City of Firebaugh, the State of California or any of its political subdivisions, and neither said City, and State nor any of its political subdivisions is liable hereon, nor in any event shall this Bond or any interest hereon or any redemption premium hereon be payable out of any funds or properties other than those of the Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the members of the Agency nor any persons executing the Bonds shall be personally liable on the Bonds by reason of their issuance.

It is hereby certified that all acts and proceedings required by law necessary to make this Bond, when executed by the Agency, and duly issued, the valid, binding and legal limited obligation of the Agency have been done and taken, and have been in all respects duly authorized.

IN WITNESS WHEREOF, the Successor Agency to the Firebaugh Redevelopment Agency has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Agency Secretary, and has caused this Bond to be dated as of the dated date set forth above.

**SUCCESSOR AGENCY TO THE FIREBAUGH
REDEVELOPMENT AGENCY**

[Seal]

By: _____
Chair

ATTEST:

By: _____
Agency Secretary

ASSIGNMENT

For value received, the undersigned does hereby sell, assign and transfer unto _____ the within Bonds and does) hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the register of the Agency, with full power of substitution in the premises.

Dated: _____

Signature: _____

Note: The signature(s) to 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 by: _____

Signature guarantee shall be made by a guarantor institution.

**APPENDIX A-2
(FORM OF 2014B BOND)**

No. 1

\$ _____ .00

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED TO ONE OR MORE ACCREDITED INVESTORS OR QUALIFIED INSTITUTIONAL BUYERS UPON SATISFACTION OF THE REQUIREMENTS IN THE RESOLUTION, AND SUBJECT TO THE LIMITATION IN THE RESOLUTION THAT THE TRANSFER OF THE BOND SHALL NOT CAUSE THE NUMBER OF REGISTERED OWNERS OF THE BONDS TO EXCEED 15. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE RESOLUTION SHALL BE VOID AND OF NO EFFECT.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAXABLE TAX ALLOCATION REFUNDING BONDS
2014 SERIES B**

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>
_____ %	December 1, 20__	_____, 2014

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS AND 00/100

The Successor Agency to the Firebaugh Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Agency"), for value received, hereby promises to pay (but only out of the Tax Revenues hereinafter referred to) to the registered owner specified above or registered assigns on the maturity date specified above (subject to any right of prior redemption provided for) the principal sum specified above, together with interest thereon from the Interest Payment Date (defined below) next preceding the date of authentication hereof (unless such date of authentication is during the period commencing after the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") through and including the next succeeding Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date, or unless such date of authentication is on or prior to the first Record Date, in which event it shall bear interest from the Dated Date until the principal hereof shall have been paid at the interest rate per annum specified above, payable on December 1, 2014, and semiannually thereafter on June 1 and December 1 in each year (each, an "Interest Payment Date"); provided, however, that if on the date of

authentication of this Bond, interest is then in default on this Bond, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

If the Agency fails to make any of the payments of scheduled principal or interest, the payment in default will continue as an obligation of the Agency until the amount in default has been fully paid, and the Agency agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Default Rate.

The principal of this Bond shall be payable in lawful money of the United States of America upon presentation and surrender of this Bond; provided, however, that payment of a portion of the Bonds under mandatory sinking fund redemptions shall not require surrender of the Bonds in connection with such redemption.

Payment of interest on this Bond due on or before the maturity or prior redemption thereof shall be payable on the Interest Payment Dates to the Owners thereof as of the Record Date pursuant to the books required to be kept by the Agency pursuant to the Resolution, by wire of Federal Reserve funds to an account within the United States as designated by the Owner. Interest on this Bond shall be payable in lawful money of the United States of America and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the Agency designed as its "Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Taxable Tax Allocation Refunding Bonds, 2014 Series B" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Resolution No. 14-16 of the Agency, adopted May 10, 2014 (the "Resolution"). The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in Authorized Denominations (as defined in the Resolution). The Agency is authorized to issue its revenue bonds for any of its corporate purposes pursuant to the provisions of the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Law"), and Article and 11, Division 2, Title 5 (commencing with Section 53580) of the California Government Code, as amended (the "Refunding Law").

Simultaneously with the issuance of the Bonds, the Agency is issuing its "Successor Agency to the Firebaugh Redevelopment Agency Firebaugh Redevelopment Project, Tax Allocation Refunding Bonds, 2014 Series A" (the "2014A Bonds"), in the aggregate principal amount of _____ Dollars (\$ _____), on a parity basis with the Bonds.

The Bonds are issued to provide funds to aid in the refinancing of certain redevelopment projects and activities in the City of Firebaugh, California through the refunding of certain outstanding bonds, as more particularly described in the Resolution. The Bonds are special obligations of the Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from the Tax Revenues (as that term is

defined in the Resolution and herein called the "Tax Revenues"), and the Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds.

The Agency hereby covenants and warrants that, for the payment of the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds issued under the Resolution when due, there has been created and will be maintained a special fund into which all Tax Revenues shall be deposited, and as an irrevocable charge the Agency has allocated the Tax Revenues solely to the payment of the interest on and principal of and redemption premiums, if any, on the Bonds, and the Agency will pay promptly when due the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds of this issue and all additional tax allocation bonds authorized by the Resolution out of said special fund, all in accordance with the terms and provisions set forth in the Resolution.

Copies of the Resolution are on file at the Agency's office. Reference is hereby made to the Resolution and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the Owners of the Bonds with respect thereto and for the other agreements, conditions, covenants and terms upon which the Bonds are executed and delivered thereunder.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution may be amended or supplemented in writing by the parties thereto (in certain instances without the consent of the Owners of Bonds), but no such amendment or supplement shall (i) reduce the rate of interest evidenced hereby or extend the time of payment of such interest or reduce the amount of principal hereof or extend the Maturity Date hereof without the prior written consent of the Owner hereof, or (ii) reduce the percentage of Owners of Bonds whose consent is required for the execution of any amendment of or supplement to the Resolution.

This Bond is transferable or exchangeable by the Owner hereof in person or by the Owner's attorney duly authorized in writing, subject to limitations on transfers provided in the Resolution, and upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Agency. Upon such transfer or exchange, a new Bond or Bonds of authorized denominations of the same Maturity Date and interest rate and in the same aggregate principal amount hereof will be executed and delivered by the Agency to the Owner thereof in exchange therefor.

The Agency shall not be obligated to make any such registration of transfer or exchange of Bonds during the fifteen (15) day period prior to the date on which notice of redemption must be mailed pursuant to the Resolution, or with respect to any Bond which has been selected for redemption pursuant to the Resolution (except any unredeemed portion thereof).

[REDEMPTION PROVISIONS TO COME]

This Bond is not a debt of the City of Firebaugh, the State of California or any of its political subdivisions, and neither said City, and State nor any of its political subdivisions is liable hereon, nor in any event shall this Bond or any interest hereon or any redemption premium hereon be payable out of any funds or properties other than those of the Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the members of the Agency nor any persons executing the Bonds shall be personally liable on the Bonds by reason of their issuance.

It is hereby certified that all acts and proceedings required by law necessary to make this Bond, when executed by the Agency, and duly issued, the valid, binding and legal limited obligation of the Agency have been done and taken, and have been in all respects duly authorized.

IN WITNESS WHEREOF, the Successor Agency to the Firebaugh Redevelopment Agency has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Agency Secretary, and has caused this Bond to be dated as of the dated date set forth above.

**SUCCESSOR AGENCY TO THE FIREBAUGH
REDEVELOPMENT AGENCY**

[Seal]

By: _____
Chair

ATTEST:

By: _____
Agency Secretary

ASSIGNMENT

For value received, the undersigned does hereby sell, assign and transfer unto _____ the within Bonds and does) hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the register of the Agency, with full power of substitution in the premises.

Dated: _____

Signature: _____

Note: The signature(s) to 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 by: _____

Signature guarantee shall be made by a guarantor institution.

APPENDIX B

FORM OF PURCHASER CLOSING CERTIFICATE

**§ _____
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS
2014 SERIES A**

and

**§ _____
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY
FIREBAUGH REDEVELOPMENT PROJECT
TAXABLE TAX ALLOCATION REFUNDING BONDS
2014 SERIES B**

PURCHASER CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am an authorized representative of Pinnacle Public Finance, Inc. (the "Bond Purchaser"), and that, as such, I am authorized to execute this certificate on its behalf in connection with the issuance by the Successor Agency to the Firebaugh Redevelopment Agency (the "Agency") of the above-referenced bonds (the "Bonds") in the aggregate initial principal amount of \$_____, which are secured primarily by a pledge of certain Tax Revenues under the resolution of the Agency adopted May 19, 2014 (the "Resolution"). Capitalized terms used herein but not defined have the meaning given them in the Resolution.

I hereby further certify on behalf of the Bond Purchaser that:

(A) The Bond Purchaser hereby acknowledges receipt of the Bonds dated as of the date hereof.

(B) The conditions to issuance of the Bonds established by the Bond Purchaser have either been satisfied to the Bond Purchaser's satisfaction or are hereby waived by the Bond Purchaser.

(C) The Bond Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to purchase the Bonds.

(D) The Bond Purchaser is:

- (i) an “accredited investor” as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the “Securities Act”);
- (ii) a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act; or
- (iii) a bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any qualified institutional buyer or on its own behalf).

(E) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(F) the Bond Purchaser is entering in to the transaction represented by the Bonds for its own account and not with a view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the Bonds, or any part or interest thereof; the Bond Purchaser understands that the Agency has no legal obligation to register the Bonds for sale, resale or any other transfer under the Securities Act. The Bond Purchaser paid the price of par for the Bonds.

(G) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, there is no established market for the Bonds and that none is likely to develop and, accordingly, the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(H) The Bond Purchaser understands and agrees that the Bonds will be subject to transfer restrictions as set forth in the Resolution.

(I) The Bond Purchaser has (i) conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) had an opportunity to ask questions of and receive answers from the Agency regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) been provided by the Agency with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, (iv) been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds, and (v) been responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws, it may have with respect to subsequent assignees of the Bonds if and when any such future disposition of the Bonds may occur.

(J) The Bond Purchaser (i) is not relying upon the Agency, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(K) The Bond Purchaser understands and acknowledges that (i) the offering of the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") and (ii) in connection with its purchase of the Bonds, the Agency has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Agency or the Bonds on an ongoing basis.

(L) The Bond Purchaser understands that the Bonds (a) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state due to exemptions from registration provided for therein, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable.

(M) The Bond Purchaser acknowledges that Nossaman LLP ("Bond Counsel") is acting as bond counsel to the Agency, that Bond Counsel has no attorney-client relationship with the Bond Purchaser, and that the Bond Purchaser has sought legal advice from its own counsel to the extent it concluded legal advice was necessary.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: _____, 2014

[PURCHASER]

By: _____
Title: _____