



## COUNTYWIDE OVERSIGHT BOARD

January 24, 2022

3:00 P.M.

Department of Conservation and Development

To slow the spread of COVID-19, in lieu of a public gathering, the Countywide Oversight Board meetings will be remote until further notice and accessible via link to all members of the public as permitted by the Governor's Executive Order N29-20.

Federal D. Glover, Board of Supervisors  
Rita Xavier, Contra Costa Mayors' Conference  
Susan Morgan, Special Districts  
John Hild, Superintendent of Schools  
Phyllis Carter, Community College District  
Jack Weir, Member of the Public  
Gabriel Lemus, RDA Employee

### Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Board.

Join from PC, Mac, Linux, iOS or Android:

<https://cccouny-us.zoom.us/Oversight>

Meeting ID: 816 3562 9563 and Password: 975367

Or via Telephone, dial: USA 214 765 0478 or USA 8882780254 (US Toll Free) with Conference code: 841892

### I. INTRODUCTIONS Call to order, roll call, pledge of allegiance, select new Chair and Vice-Chair.

- I. 1 **ADOPT** Resolution 2022/22 authorizing Teleconference Meetings (AB 361, Government Code § 54953(e)) for the Countywide Oversight Board.

### II. PUBLIC COMMENT on any matter under the jurisdiction of the Oversight Board and NOT on this agenda (speakers may be limited to three minutes).

### III. CONSIDER CONSENT ITEMS (Items listed as C.1-C.16):

#### Minutes

- C. 1 **APPROVE** the minutes from the September 27, 2021, meeting.

#### Recognized Obligation Payment Schedule (ROPS)

- C. 2 **ADOPT** Resolution 2022/26 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Antioch** Successor Agency.
- C. 3 **ADOPT** Resolution 2022/27 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Brentwood** Successor Agency.
- C. 4 **ADOPT** Resolution 2022/25 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Clayton** Successor Agency.

- C. 5** **ADOPT** Resolution 2022/23 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Concord** Successor Agency.
- C. 6** **ADOPT** Resolution 2022/28 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **El Cerrito** Successor Agency.
- C. 7** **ADOPT** Resolution 2022/29 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Hercules** Successor Agency.
- C. 8** **ADOPT** Resolution 2022/26 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Lafayette** Successor Agency.
- C. 9** **ADOPT** Resolution 2022/31 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Oakley** Successor Agency.
- C.10** **ADOPT** Resolution 2022/32 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Pinole** Successor Agency.
- C.11** **ADOPT** Resolution 2022/24 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Pittsburg** Successor Agency.
- C.12** **ADOPT** Resolution 2022/34 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Pleasant Hill** Successor Agency.
- C.13** **ADOPT** Resolution 2022/14 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Richmond** Community Successor Agency.
- C.14** **ADOPT** Resolution 2022/21 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **San Pablo** Local Successor Agency.
- C.15** **ADOPT** Resolution 2022/20 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Contra Costa County** Successor Agency.

#### **Other Items**

- C.16** **ADOPT** Resolution 2022-35 Approving the issuance and sale of tax allocation refunding bonds by the Successor Agency to the **Hercules** Redevelopment Agency.

#### **IV. ITEMS FOR DISCUSSION and/or ACTION**

- D.1** **RECEIVE** Report on the status of assets held by Successor Agencies in Contra Costa County.

#### **V. FUTURE AGENDA ITEMS**

#### **VI. ADJOURN**

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*The Countywide Oversight Board will provide reasonable accommodations for persons with disabilities planning to attend its meetings. Contact Anna Seithel at (925) 655-2896 at least 72 hours before the meeting.*

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*Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Oversight Board less than 96 hours prior to that meeting are available for public inspection at the*

For Additional Information Contact:

Maureen Toms, Oversight Board Secretary  
Phone (925) 655-2895, Fax (925) 655-2750  
[maureen.toms@dcd.cccounty.us](mailto:maureen.toms@dcd.cccounty.us)

Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order): Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in meetings of its Board of Supervisors and Committees. Following is a list of commonly used abbreviations that may appear in presentations and written materials at meetings of the Transportation, Water and Infrastructure Committee:

AB Assembly Bill  
ABAG Association of Bay Area Governments  
ACA Assembly Constitutional Amendment  
ADA Americans with Disabilities Act of 1990  
ALUC Airport Land Use Commission  
AOB Area of Benefit  
BAAQMD Bay Area Air Quality Management District  
BART Bay Area Rapid Transit District  
BATA Bay Area Toll Authority  
BCDC Bay Conservation & Development Commission  
BDCCP Bay-Delta Conservation Plan  
BGO Better Government Ordinance (Contra Costa County)  
BOS Board of Supervisors  
CALTRANS California Department of Transportation  
CalWIN California Works Information Network  
CalWORKS California Work Opportunity and Responsibility to Kids  
CAER Community Awareness Emergency Response  
CAO County Administrative Officer or Office  
CCTA Contra Costa Transportation Authority  
CCWD Contra Costa Water District  
CDBG Community Development Block Grant  
CEQA California Environmental Quality Act  
CFS Cubic Feet per Second (of water)  
CPI Consumer Price Index  
CSA County Service Area  
CSAC California State Association of Counties  
CTC California Transportation Commission  
DCC Delta Counties Coalition  
DCD Contra Costa County Dept. of Conservation & Development  
DPC Delta Protection Commission  
DSC Delta Stewardship Council  
DWR California Department of Water Resources  
EBMUD East Bay Municipal Utility District  
EIR Environmental Impact Report (a state requirement)  
EIS Environmental Impact Statement (a federal requirement)  
EPA Environmental Protection Agency  
FAA Federal Aviation Administration  
FEMA Federal Emergency Management Agency  
FTE Full Time Equivalent  
FY Fiscal Year  
GHAD Geologic Hazard Abatement District  
GIS Geographic Information System  
HBRR Highway Bridge Replacement and Rehabilitation

HOT High-Occupancy/Toll  
HOV High-Occupancy-Vehicle  
HSD Contra Costa County Health Services Department  
HUD United States Department of Housing and Urban Development  
IPM Integrated Pest Management  
ISO Industrial Safety Ordinance  
JPA/JEPA Joint (Exercise of) Powers Authority or Agreement  
Lamorinda Lafayette-Moraga-Orinda Area  
LAFCo Local Agency Formation Commission  
LCC League of California Cities  
LTMS Long-Term Management Strategy  
MAC Municipal Advisory Council  
MAF Million Acre Feet (of water)  
MBE Minority Business Enterprise  
MOA Memorandum of Agreement  
MOE Maintenance of Effort  
MOU Memorandum of Understanding  
MTC Metropolitan Transportation Commission  
NACo National Association of Counties  
NEPA National Environmental Protection Act  
OES-EOC Office of Emergency Services-Emergency Operations Center  
PDA Priority Development Area  
PWD Contra Costa County Public Works Department  
RCRC Regional Council of Rural Counties  
RDA Redevelopment Agency or Area  
RFI Request For Information  
RFP Request For Proposals  
RFQ Request For Qualifications  
SB Senate Bill  
SBE Small Business Enterprise  
SR2S Safe Routes to Schools  
STIP State Transportation Improvement Program  
SWAT Southwest Area Transportation Committee  
TRANSPAC Transportation Partnership & Cooperation (Central)  
TRANSPLAN Transportation Planning Committee (East County)  
TWIC Transportation, Water and Infrastructure Committee  
USACE United States Army Corps of Engineers  
WBE Women-Owned Business Enterprise  
WCCTAC West Contra Costa Transportation Advisory Committee  
WETA Water Emergency Transportation Authority  
WRDA Water Resources Development Act



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: AUTHORIZING Teleconference Meetings (AB 361, Government Code § 54953(e))  
AGENDA ITEM: I. 1

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### **Recommendation(s)**

**ADOPT** Resolution 2022/22 authorizing Teleconference Meetings (AB 361, Government Code § 54953(e)) for the Countywide Oversight Board.

### **Background**

See attached.

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### **Attachments**

Resolution 2022/22  
Remote Meeting Staff Report

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/22**

#### **A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY AUTHORIZING TELECONFERENCE MEETINGS UNDER GOVERNMENT CODE SECTION 54953(e) (ASSEMBLY BILL 361).**

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom proclaimed the existence of a state of emergency in California under the California Emergency Services Act, Gov. Code § 8550 et seq.

**WHEREAS**, on March 10, 2020, the Board of Supervisors found that due to the introduction of COVID-19 in the County, conditions of disaster or extreme peril to the safety of persons and property had arisen, commencing on March 3, 2020. Based on these conditions, pursuant to Government Code section 8630, the Board adopted Resolution No. 2020/92, proclaiming the existence of a local emergency throughout the County.

**WHEREAS**, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended the teleconferencing rules set forth in the California Open Meeting law, Government Code section 54950 et seq. (the Brown Act), provided certain requirements were met and followed.

**WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which clarified the suspension of the teleconferencing rules set forth in the Brown Act and further provided that those provisions would remain suspended through September 30, 2021.

**WHEREAS**, on September 16, 2021, Governor Newsom signed Assembly Bill 361, which provides that under Government Code section 54953(e), a legislative body subject to the Brown Act may continue to meet using teleconferencing without complying with the non-emergency teleconferencing rules in Government Code section 54953(b)(3) if a proclaimed state of emergency exists and state or local officials have imposed or recommended measures to promote social distancing.

**WHEREAS**, on September 20, 2021, the Contra Costa County Health Officer issued recommendations for safely holding public meetings that include recommended measures to promote social distancing.

**WHEREAS**, among the Health Officer's recommendations: (1) on-line meetings (teleconferencing meetings) are strongly recommended as those meetings present the lowest risk of transmission of SARS-CoV-2, the virus that causes COVID-19; (2) if a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended when possible to give those at higher risk of and/or higher concern about COVID-19 an alternative to participating in person; (3) a written safety protocol should be developed and followed, and it is recommended that the protocol require social distancing – i.e., six feet of separation between attendees – and face masking of all attendees; (4) seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.

**WHEREAS**, the California Department of Public Health (CDPH) and the federal Centers for Disease Control and Prevention (CDC) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations.

**WHEREAS**, as of December 29, 2021, the COVID-19 case rate in Contra Costa County was in the "substantial" community transmission tier, the second-highest tier of the CDC's four community transmission tiers.

**WHEREAS**, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the

Countywide Oversight Board intends to invoke the provisions of Assembly Bill 361 related to holding meetings by teleconference.

**NOW, THEREFORE**, the Countywide Oversight Board resolves as follows:

1. The Countywide Oversight Board finds that: the state of emergency proclaimed by Governor Newsom on March 4, 2020, is currently in effect; the Contra Costa County Health Officer has strongly recommended that public meetings be held by teleconferencing as those meetings present the lowest risk of transmission of SARS-CoV-2, the virus that causes COVID-19; and meeting in person would present imminent risks to the health or safety of attendees because the case rate of COVID-19 infections in the County is in the “substantial” community transmission tier, the second-highest of the CDC’s four community transmission tiers.
2. As authorized by Assembly Bill 361, the Countywide Oversight Board will use teleconferencing for its meetings in accordance with the provisions of Government Code section 54953(e).
3. The Secretary is authorized and directed to take all actions necessary to implement the intent and purpose of this resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and all other applicable provisions of the Brown Act.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:**

## **CONTRA COSTA COUNTY COUNTYWIDE OVERSIGHT BOARD**

**DATE:** January 24, 2022  
**TO:** Countywide Oversight Board  
**FROM:** Maureen Toms, Secretary  
**SUBJECT:** **Authorizing Teleconference Meetings (AB 361, Government Code § 54953(e))**

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### **RECOMMENDATION**

**Consider the following actions related to the authorization of teleconference meetings consistent with AB 361, Government Code § 54953(e):**

- i. ADOPT Resolution 2022-22 to authorize the Countywide Oversight Board of Contra Costa County to conduct teleconference meetings under Government Code section 54953(e) and make related findings;**
- ii. DETERMINE that the bodies will hold virtual meetings for the next 30 days or until the next regularly scheduled meeting; and**
- iii. DIRECT the Secretary to take actions as needed to implement the intent and return this matter to the Countywide Oversight Board within 30 days or at the next scheduled meeting if the Board meets less frequently for reconsideration.**

### **DISCUSSION**

When the COVID-19 pandemic began, Governor Newsom issued an executive order that allowed local agencies to meet remotely without complying with the strict teleconferencing requirements of the Brown Act. Executive Order N-29-20 suspended the Brown Act's non-emergency teleconferencing rules, including the requirements that each teleconference location must be physically accessible to the public and that the public must be given an opportunity to comment at each teleconference location. The Countywide Oversight Board has been meeting virtually since their September 2020, as authorized by Executive Order N-29-20 and subsequent orders. This authority expired September 30, 2021.

Assembly Bill 361 amended the teleconferencing provisions of the Brown Act, Government Code section 54953. Effective October 1, 2021, subsection (e) of Government Code section 54953 authorizes a local agency to use special teleconferencing rules when the legislative body of the local agency holds a meeting during a state of emergency declared by the state, and either (a) state or local officials have imposed or recommended measures to promote social distancing, or (b) the legislative body is meeting to determine, or has determined, that meeting in person would present imminent risks to the health or safety of meeting attendees.

The following rules apply to teleconferencing meetings held under Government Code section 54953(e):

- The Board must provide notice of the meeting and post an agenda as required by the Brown Act, but the agenda does not need to list each teleconference location or be physically posted at each teleconference location.
- The agenda must state how members of the public can access the meeting and provide public comment.
- The agenda must include an option for all persons to attend via a call-in or internet-based service option.
- The legislative body must conduct the meeting in a manner that protects the constitutional and statutory rights of the public.
- If there is a disruption in the public broadcast of the call-in or internet-based meeting service, the legislative body must stop and take no further action on agenda items until public access is restored.
- The Board may not require public comments to be submitted in advance of the meeting and must allow virtual comments to be submitted in real time.
- The legislative body must allow a reasonable amount of time per agenda item to permit members of the public to comment, including time to register or otherwise be recognized for the purposes of comment.
- If the legislative body provides a timed period for all public comment on an item, it may not close that period before the time has elapsed.
- The legislative body must reconsider the circumstances of the state of emergency and the findings in support of emergency teleconference meetings every 30 days or every time it meets.
- AB 361 sunsets on January 1, 2024.

A resolution authorizing teleconferencing under Government Code section 54953(e) is attached. It would determine that the state has declared a state of emergency related to COVID-19 and find that social distancing recommendations are in place and that there is an imminent risk of harm to the public, staff, and officials if live meetings are conducted. If adopted, the resolution would authorize the Conservancy to hold teleconference meetings consistent with the above rules.

If the Countywide Oversight Board wishes to continue teleconferencing under Government Code section 54953(e), every 30 days after adopting the resolution or every time it meets if less frequently than 30 days, the Countywide Oversight Board must reconsider the circumstances of the state of emergency and that one of the following circumstances exists: the emergency continues to directly impact the ability of members to safely meet in person, or state or local officials continue to impose or recommend measures to promote social distancing. If the state-declared emergency no longer exists, or if the Countywide Oversight Board does not make these findings by majority vote, then the Countywide Oversight Board will no longer be exempt from the Brown Act's non-emergency teleconferencing rules.





## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: APPROVE the minutes from the September 27, 2021, meeting.  
AGENDA ITEM: C. 1

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### **Recommendation(s)**

**APPROVE** the minutes from the September 27, 2021, meeting.

### **Background**

See attached minutes.

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### **Attachments**

09-27-21 Oversight Board Meeting Record

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# COUNTYWIDE OVERSIGHT BOARD

RECORD OF ACTION FOR  
Monday, September 27, 2021  
11:00 A.M.

Federal D. Glover, Board of Supervisors ♦ Rita Xavier, Contra Costa Mayors' Conference  
Susan Morgan, Special Districts ♦ John Hild, Superintendent of Schools  
Phyllis Carter, Community College District  
Jack Weir, Member of the Public ♦ Gabriel Lemus, RDA Employee

Present: Rita Xavier  
Phyllis Carter  
Gabriel Lemus  
Susan Morgan  
John Hild  
Jack Weir

Absent: Federal D. Glover, Supervisor

## INTRODUCTIONS

Call to Order/Roll Call/Introduction of New Board Members.

*The meeting was called to order by Chair Xavier. In attendance: Board members Xavier, Hild, Carter, Weir, Lemus, and Morgan. New Board member Phyllis Carter representing the Contra Costa Community College District, introduced.*

**PUBLIC COMMENT** on any matter under the jurisdiction of the Oversight Board and NOT on this agenda (speakers may be limited to three minutes).

*There was no public comment.*

**CONSIDER CONSENT ITEMS** (Items listed as C.1 - C.3):

*Approved Consent Items C.1-C.3.*

## Minutes

**C.1 APPROVE** the minutes from the January 25, 2021, meeting.

*Minutes from the January 25, 2021 meeting: Approved M/S Weir/Lemus, with one abstention (Carter), 5/0/1.*

Attachments:

01-25-21 Oversight Record of Meeting

## Recognized Obligation Payment Schedule (ROPS)

**C.2 ADOPT** Resolution 2021/36 Approving the Amended Recognized Obligation Payment Schedule for July 1, 2021 – June 30, 2022 (ROPS 21-22B) for the **Contra Costa County Successor Agency**.

*Approved on consent: M/S Weir/Lemus 6/0/0.*

AYE: Rita Xavier  
Phyllis Carter  
Gabriel Lemus  
Susan Morgan  
John Hild  
Jack Weir

Attachments:

Resolution 2021/36

Resolution 2021/36 SIGNED

**Administrative Budget**

**Contracts**

**C.3 ADOPT** Resolution 2021/37 **APPROVING** a Purchase and Sale Agreement for 300 Cumberland Street, Pittsburg CA, and a Repayment Agreement.

*Approved on consent: M/S Weir/Lemus 6/0/0.*

AYE: Rita Xavier  
Phyllis Carter  
Gabriel Lemus  
Susan Morgan  
John Hild  
Jack Weir

Attachments:

Resolution 2021/37 re 300CmbrlndSt.  
Resolution 2021/37 re\_300CmbrlndSt. SIGNED  
City of Pittsburg - Staff Report re 300 Cumberland Street  
City of Pittsburg P&A and Joint Escrow Instructions re 300 Cumberland Street

**Other Items**

**ITEMS FOR DISCUSSION and/or ACTION**

**Public Hearings**

**FUTURE AGENDA ITEMS**

*Jack Weir requested a report of outstanding assets owned by various successor agencies.*

**ADJOURN**

*Adjourn to January 24th, 2022, 3:00 P.M., held for next meeting.*

For Additional Information Contact:

Maureen Toms, Oversight Board Secretary  
Phone (925) 655-2895, Fax (925) 655-2750  
maureen.toms@dcd.cccounty.us



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Antioch ROPS  
AGENDA ITEM: C. 2

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### **Recommendation(s)**

**ADOPT** Resolution 2022/26 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Antioch** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/26  
Antioch Staff Report  
Antioch ROPS Summary  
Antioch Admin Budget

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/26**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD TO THE SUCCESSOR AGENCIES OF THE REDEVELOPMENT AGENCIES WITHIN CONTRA COSTA COUNTY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") AND ADMINISTRATIVE ALLOWANCE FOR THE SUCCESSOR AGENCY TO THE ANTIOCH DEVELOPMENT AGENCY FOR THE PERIOD OF JULY 2022 THROUGH JUNE 2023 (ROPS 22-23).**

**WHEREAS**, Health and Safety Code section 34177(l)(1) provides that Successor Agencies are required to prepare a Recognized Obligation Payment Schedule before each fiscal period identifying enforceable obligations and sources of payment; and

**WHEREAS**, Health and Safety Code sections 34171 (3) provides for an administrative cost allowance up to 3% of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year, but not less than \$250,000 in any fiscal year, unless this amount is reduced by the oversight board or by agreement between the successor agency and the department; and

**WHEREAS**, Health and Safety Code sections 34177 (B) and 34171 (5) provides that Recognized Obligation Payment Schedules and the administrative cost allowance are to be approved by Oversight Boards;

**NOW, THEREFORE, BE IT RESOLVED THAT** the Countywide Oversight Board to the Successor Agencies of the Redevelopment Agencies within Contra Costa County hereby approves the attached Recognized Obligation Payment Schedule and administrative allowance requested of \$8,000 of the City of Antioch as Successor Agency to the Antioch Development Agency for the period of July 2022 through June 2023 (ROPS 22-23).

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Antioch - Dawn Merchant, Maureen Toms, DCD



**REPORT TO THE COUNTYWIDE OVERSIGHT BOARD TO THE SUCCESSOR AGENCIES OF THE REDEVELOPMENT AGENCIES WITHIN CONTRA COSTA COUNTY FOR CONSIDERATION AT THE MEETING OF JANUARY 24, 2022**

Prepared By: Dawn Merchant, City of Antioch Finance Director

Subject: City of Antioch Successor Agency to the Antioch Development Agency Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23)

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**RECOMMENDED ACTION**

Adopt resolution approving the City of Antioch Successor Agency to the Antioch Development Agency Recognized Obligation Payment Schedule and Administrative Budget for the period of July 2022 through June 2023 (ROPS 22-23).

**DISCUSSION**

The ROPS 22-23 for the period of July 2022 through June 2023 is required to be submitted to the Department of Finance (DOF) by February 1, 2022. The City Council of the City of Antioch approved the ROPS at their meeting of December 14, 2021.

Attached for consideration and approval are a resolution, ROPS 22-23 and administrative allowance request (Attachment A), detailing the continuing obligations of the former Antioch Development Agency.

**ATTACHMENTS**

- A. Resolution Approving the Recognized Obligation Payment Schedule for the Period of July 2022 through June 2023 (ROPS 22-23).
  - 1) Recognized Obligation Payment Schedule for the Period of July 2022 through June 2023 (ROPS 22-23)
  - 2) Administrative Budget

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Antioch

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 452,895</b>	<b>\$ 1,280,817</b>	<b>\$ 1,733,712</b>
F RPTTF	448,895	1,276,817	1,725,712
G Administrative RPTTF	4,000	4,000	8,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 452,895</b>	<b>\$ 1,280,817</b>	<b>\$ 1,733,712</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Antioch**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail**  
**July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W			
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)				ROPS 22-23B (Jan - Jun)				22-23A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	22-23B Total
											Fund Sources				Fund Sources										
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds							
								\$21,224,397		\$1,733,712	\$-	\$-	\$-	\$448,895	\$4,000	\$452,895	\$-	\$-	\$-	\$1,276,817	\$4,000	\$1,280,817			
2	2009 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	08/01/2009	09/01/2027	Bank of New York	Bond issue to fund non-housing projects	Area 1	865,512	N	\$144,362	-	-	-	135,570	-	\$135,570	-	-	-	8,792	-	\$8,792			
6	Bond administration	Fees	07/01/1994	05/01/2032	Bank of New York	Bond administrative fees	Areas 1,2,3,4,4.1	197,135	N	\$4,700	-	-	-	2,500	-	\$2,500	-	-	-	2,200	-	\$2,200			
12	Administrative costs	Admin Costs	02/01/2012	12/31/2032	City of Antioch/consultants	Administrative expenses for agency	Areas 1,2,3,4,4.1	1,840,000	N	\$8,000	-	-	-	-	4,000	\$4,000	-	-	-	-	4,000	\$4,000			
18	2015A Lease Revenue Bonds	Bond Reimbursement Agreements	02/01/2015	05/01/2032	City of Antioch	Bonds issued to refinance 2002 Lease Revenue Bonds	Areas 1,2,3,4,4.1	18,321,750	N	\$1,576,650	-	-	-	310,825	-	\$310,825	-	-	-	1,265,825	-	\$1,265,825			
20	Department of Boating and Waterways Loan/Marina	Third-Party Loans	07/01/2003	08/01/2039	City of Antioch	Marina construction loan	Area 1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-			

**Antioch**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
		Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)							
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.	149,621	1	243,774	35,544		
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	1,691	342		17,879	2,942,901	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)	152	290	178,655		2,914,233	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	151,160		65,119	53,423		\$65,119 was applied to 21/22 ROPS; \$53,423 interest applied as follows: \$35,544 of interest applied to 20/21 ROPS; \$17,879 of interest to apply to a future ROPS
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		28,668	
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$53	\$-	\$-	\$-	\$-

**Antioch**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
2	
6	
12	
18	
20	

Antioch Successor Agency  
Administrative Cost Allowance Requested  
Recognized Obligation Payment Schedule (ROPS 22-23)  
July 1, 2022 through June 30, 2023

<b>ROPS Line Item</b>	<b>ROPS 22-23A (Jul-Dec)</b>	<b>ROPS 22-23B (Jan-Jun)</b>	<b>ROPS 22-23</b>
	<b>Admin RPPTF</b>	<b>Admin RPPTF</b>	<b>Total</b>
12	\$ 4,000	\$ 4,000	\$ 8,000



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Brentwood ROPS  
AGENDA ITEM: C. 3

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### **Recommendation(s)**

**ADOPT** Resolution 2022/27 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Brentwood** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/27  
Brentwood Staff Report  
Brentwood ROPS Summary  
Brentwood Admin Budget

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD**  
**FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/27**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD TO THE SUCCESSOR AGENCIES OF THE REDEVELOPMENT AGENCIES WITHIN CONTRA COSTA COUNTY ("COUNTYWIDE OVERSIGHT BOARD") APPROVING THE BRENTWOOD SUCCESSOR AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET FOR JULY 2022 – JUNE 2023.**

**WHEREAS**, Section 34177 (l) and (m) of the Health and Safety Code require the Brentwood Successor Agency ("Successor Agency") to submit to the State Department of Finance, the State Controller, and the Contra Costa County Auditor-Controller, by February 1, 2022, a Recognized Obligation Payment Schedule (ROPS), approved by the Oversight Board, for the period July 1, 2022, through June 30, 2023; and

**WHEREAS**, the ROPS contains the enforceable obligation commitments of the Successor Agency for the July 2022 - June 2023 timeframe; and

**WHEREAS**, Health and Safety Code §34177(j) requires the Oversight Board to approve an Administrative Budget for administrative costs of the Successor Agency; and

**WHEREAS**, the Successor Agency's "administrative cost allowance" as defined and authorized pursuant to Health & Safety Code Section 34171(b), is a minimum of \$250,000 unless reduced by the Oversight Board or by agreement between the Successor Agency and the DOF for the July 2022 - June 2023 time period; and

**WHEREAS**, the Successor Agency will report to the County Auditor-Controller that its administrative cost allowance to be paid from property taxes deposited in the Redevelopment Property Tax Trust Fund pursuant to Health and Safety Code Section 34183(a)(3) is the amount of \$250,000 for the July 2022 - June 2023 time period; and

**WHEREAS**, the Successor Agency has arranged with the City of Brentwood to provide the staff services, office materials and equipment to administer the responsibilities of the Successor Agency; and

**WHEREAS**, following approval by the Countywide Oversight Board, the ROPS must be reviewed and approved by the State Department of Finance.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein.

**Section 2. Approval of the Brentwood Successor Agency ROPS.** The Countywide Oversight Board hereby approves the Brentwood Successor Agency Recognized Obligation Payment Schedule for the period July 1, 2022 – June 30, 2023, in the form attached to this resolution and authorizes the City of Brentwood Director of Finance and Information Systems, on behalf of the Successor Agency, to make minor modifications, if required by the State, to obtain the State's approval of the ROPS.

**Section 3. Approval of Administrative Budget.** The Countywide Oversight Board hereby approves the Brentwood Successor Agency Administrative Budget in the amount of \$250,000 as required by Health and Safety Code §34177(j).

**Section 4. Transmittal.** The Countywide Oversight Board hereby authorizes and directs the Brentwood Successor Agency to transmit the ROPS to the State Department of Finance, the County Administrative Officer and the Contra Costa County Auditor-Controller, and to post it on the Brentwood Successor Agency's website.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Brentwood - Rachel Corona, Brentwood - Christine Andrews, Brentwood - KBreen, Maureen Toms, DCD



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**Date:** January 24, 2022

**To:** Countywide Oversight Board

**From:** City of Brentwood Successor Agency

**Subject:** Resolution of the Countywide Oversight Board to the Successor Agencies of the Redevelopment Agencies within Contra Costa County ("Countywide Oversight Board") adopting the Brentwood Successor Agency Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2022 – June 2023, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

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#### RECOMMENDATION

Adopt a Resolution approving the Brentwood Successor Agency ("Successor Agency") Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2022 – June 2023, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

#### BACKGROUND

By law, a successor agency is required to prepare a forward looking ROPS which reports one year of successor agency financial obligations, commonly referred to as "Enforceable Obligations". A successor agency may expend funds only for items on an approved ROPS. The ROPS presented for consideration covers the July 2022 – June 2023 time period.

Should the ROPS be approved by the Countywide Oversight Board, it will then be remitted to the State Department of Finance ("DOF") for their review. In the event of a dispute between the Successor Agency and the DOF regarding a line item on the ROPS the Successor Agency may request an additional review by the DOF, and has the opportunity to meet and confer on disputed items.

The Successor Agency is reporting excess funds at June 30, 2020 on the Cash Balance page of \$294,409 relating to \$289,816 of unspent investment earnings received and \$4,593 of unspent Redevelopment Property Tax Trust Funds (RPTTF) remaining. The remaining unspent investment earnings were partially drawn down in Fiscal Year 2020/21 and will continue to be used to reduce the Successor Agency's future RPTTF allocations. The DOF requires remaining funds to be spent prior to future RPTTF allocations.

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#### **FINANCE & INFORMATION SYSTEMS**

150 City Park Way, Brentwood, CA 94513  
www.brentwoodca.gov  
Phone: (925) 516-5460 Fax: (925) 516-5401

The ROPS Detail Page includes a total of \$2,780,473 of enforceable obligations for the July 2022 – June 2023 time frame. Of the obligations listed, a total of \$2,453,873 is necessary to meet debt service payment obligations; \$1,600 is for investment/trustee related expenses; \$75,000 is for property disposition services (with the funds already received by the Successor Agency); and \$250,000 is for the Successor Agency's annual administrative allowance. These expenses have all been consistently approved by the DOF on prior ROPS. In the future there will be a reconciliation of the RPTTF allocation that the Successor Agency receives for ROPS 23-24 against expenses which actually occur. Funds received for expenses listed on the ROPS which do not actually occur will be deducted from future RPTTF allocations. In this way, the Successor Agency is only provided sufficient funds to meet actual, rather than projected, expenses.

As mentioned above, the ROPS contains the administrative budget for the Successor Agency. The Successor Agency's "administrative cost allowance", as defined and authorized pursuant to H&S Code Section 34171(b), is a minimum reimbursement of \$250,000 for the entire 2023/24 fiscal year. In accordance with H&S Code Section 34177(j)(1), the total estimated Successor Agency administrative costs for the 2022/23 fiscal year are expected to well exceed this limit and therefore the administrative budget for ROPS 22-23 is \$250,000. This budget, in accord with H&S Code Section 34177(j)(2), proposes the source of payment for the administrative costs as the RPTTF established and maintained by the County Auditor-Controller pursuant to H&S Code Section 34170.5(b).

Additionally, H&S Code Section 34177(j)(3) requires proposals for arrangements for administration and operations services. The Successor Agency has arranged with the City of Brentwood to provide the staff services and office materials and equipment to administer the responsibilities of the Successor Agency, and will draw upon services of outside legal and financial consultants to provide special services for the wind-down of the former Brentwood Redevelopment Agency to the extent City staff lacks the necessary expertise or capacity.

Attachments

Resolution

Recognized Obligation Payment Schedule July 2022 - June 2023

Exhibit "A" – Administrative Budget

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**FINANCE & INFORMATION SYSTEMS**

150 City Park Way, Brentwood, CA 94513

[www.brentwoodca.gov](http://www.brentwoodca.gov)

Phone: (925) 516-5460 Fax: (925) 516-5401

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Brentwood

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 192,605</b>	<b>\$ -</b>	<b>\$ 192,605</b>
B Bond Proceeds	-	-	-
C Reserve Balance	75,000	-	75,000
D Other Funds	117,605	-	117,605
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 1,855,321</b>	<b>\$ 732,547</b>	<b>\$ 2,587,868</b>
F RPTTF	1,730,321	607,547	2,337,868
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,047,926</b>	<b>\$ 732,547</b>	<b>\$ 2,780,473</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Brentwood**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS De  
July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds
								\$31,608,441		\$2,780,473	\$-	\$75,000	\$117,605
2	Bonds - Debt Service	Bond Reimbursement Agreements	09/27/2001	11/01/2031	U.S. Bank	2001 Tax Allocation Bond Debt Service	Merged	13,513,000	N	\$1,355,875	-	-	117,605
3	Bonds - Debt Service	Bond Reimbursement Agreements	10/01/2009	10/01/2039	U.S. Bank	2009 Lease Revenue Bond Debt Service	Merged	17,742,941	N	\$1,097,998	-	-	-
5	Administrative Cost Allowance	Admin Costs	07/01/2018	06/30/2019	City of Brentwood	Annual Administrative Cost Allowance	Merged	250,000	N	\$250,000	-	-	-
28	Investment Management Fees	Fees	07/01/2018	06/30/2019	Public Financial Management	Investment Management Fees	Merged	26,250	N	\$1,500	-	-	-
29	Investment Account Maintenance Fees	Fees	07/01/2018	06/30/2019	Bank of New York	Investment Account Maint Fee	Merged	1,250	N	\$100	-	-	-
44	H&S Code, Section 34177.3 (b)-Contracts necessary for property disposition	Property Dispositions	02/15/2018	06/30/2021	Carpenter/Robbins Commercial Real Estate, Inc.	Property disposition services - brokerage	Merged	75,000	N	\$75,000	-	75,000	-

**Brentwood**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
		Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.			75,000	234,648	1,533
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				117,605	2,668,371
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)				62,437	2,666,841
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			75,000	-	-
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		(1,530)
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$289,816	\$4,593

**Brentwood**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
2	
3	
5	
28	
29	
44	

# Exhibit A

## **Brentwood Successor Agency** **FY 2022-23 Administrative Budget**

Administrative Budget FY 2022-23	22-23A	22-23B	Total
Personnel costs	\$67,638	\$67,638	\$135,277
Various Other administrative costs	\$17,500	\$17,500	\$35,000
Overhead (IT, equipment, facility space)	\$39,862	\$39,862	\$79,723
Total Administrative Costs	\$125,000	\$125,000	\$250,000



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Clayton ROPS  
AGENDA ITEM: C. 4

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### **Recommendation(s)**

**ADOPT** Resolution 2022/25 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Clayton** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/25  
Clayton Staff Report.  
Clayton ROPS Summary

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/25**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE OF THE CITY OF CLAYTON REDEVELOPMENT SUCCESSOR AGENCY FOR THE PERIOD JANUARY 1, 2022 THROUGH JUNE 30, 2023.**

**WHEREAS**, Section 34177(1) of the California Health and Safety Code requires the Successor Agency to the Redevelopment Agency of the City of Clayton (Successor Agency) to submit to the Contra Costa County Consolidated Oversight Board (Board) for approval a Recognized Obligation Payment Schedule (ROPS); and

**WHEREAS**, Section 34177(1) also requires that the Successor Agency submit, at the same time as the Board, a copy of the ROPS to the County Administrative Officers (CAO), the Contra Costa County Auditor-Controller (CAC), and the State Department of Finance (DOF); and

**WHEREAS**, in order for the ROPS to be deemed valid, and therefore eligible for payment, it must be approved by the Board and a copy of the approved ROPS must be submitted to the CAC, the State Controller's Office (SCO), and DOF, and posted on the Successor Agency's website; and

**WHEREAS**, Successor Agency staff has prepared the attached ROPS 2022-23 and submitted it to the Board for review and approval, and at the same time has provided a copy of the ROPS to the CAO, the CAC, and the DOF; and

**WHEREAS**, the Board desires to approve the ROPS 2022-23 in order to pay approved enforceable obligations for the period of July 1, 2022, through June 30, 2023.

**NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY DOES HEREBY RESOLVE AS FOLLOWS:**

- 1.** The ROPS 2022-23, in the form attached to this resolution as Exhibit A and incorporated herein by reference, is hereby approved.
- 2.** The staff of the Successor Agency is hereby directed to submit the ROPS 2022-23 to the CAC, the SCO, and DOF, and post it on the Successor Agency's website in accordance with State Health and Safety Code Section 34177(1)(2)(C), and to cooperate with the DOF to the extent necessary to obtain DOF's acceptance of the ROPS, including, if necessary, making modifications to the ROPS determined by the Executive Director of the Redevelopment Successor Agency to be reasonable and financially feasible to meet its legally required financial obligations.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Clayton - Katherine Korsak , Maureen Toms, DCD, Clayton - Laura Hoffmeister



# STAFF REPORT

**TO: COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY**

**FROM: KATHERINE KORSAK, FINANCE DIRECTOR**

**DATE: JANUARY 24, 2022**

**SUBJECT: ADOPT A RESOLUTION TO APPROVE AND ADOPT THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE YEAR ENDING JUNE 30, 2023 (ROPS 2022-2023), PURSUANT TO THE DISSOLUTION ACT**

---

## **RECOMMENDATION**

It is recommended the Countywide Oversight Board of Contra Costa County adopt the attached Resolution approving the Recognized Obligation Payment Schedule (ROPS 2022-2023) covering the timeframe July 1, 2022 through June 30, 2023 pursuant to Section 31471(h) and 34177(l)(1) of the California Redevelopment Law – the Dissolution Act, [ABx1 26 and AB 1484].

## **BACKGROUND**

Under the Dissolution Act, “enforceable obligations” of the former redevelopment agency (e.g. Clayton Redevelopment Agency) include the following financial arrangements (the ROPS of a city or county):

- Bonds
- Loans
- Payments required by state or federal government
- Obligations to employees
- Judgments or settlements
- Binding and legally enforceable agreements entered into before AB1x26
- Contracts for Redevelopment Agency (RDA) administration, Successor Agency administration, and Oversight Board administration

Subject: Adopt a Resolution to Approve and Adopt the Recognized Obligation Payment Schedule for the  
Year Ending June 30, 2023 (ROPS 2022-2023), Pursuant to the Dissolution Act  
Date: January 24<sup>th</sup>, 2022  
Page: 2 of 3

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The monies to fund payment of the requested ROPS enforceable obligations are issued by the Contra Costa County Auditor-Controller's Office (CAC) to Clayton's Redevelopment Obligation Retirement Fund. As its name implies, this fund replaces the former Redevelopment Agency's three Funds and functions as the repository for sufficient tax increment revenues in the amounts identified and approved in subsequent ROPS to effectively "retire" all former Clayton Redevelopment Agency debts and contractual obligations over a multi-year period. Once all identified and certified debts and obligations have been satisfied, the Successor Agency is then dissolved.

Pursuant to *California Health and Safety Code* section 34179(j), on and after July 1, 2018 in each county where more than one oversight board was created (including Contra Costa County), there shall be only one County Oversight Board staffed by the County Auditor-Controller. The Countywide Oversight Board of Contra Costa County is comprised of a seven-member board consisting of one member from each of the following groups: County Board of Supervisors, Mayors Conference, Special Districts, the Superintendent of Schools, Community College District, a member of the public, and a former employee of a County public agency. Following this re-organization of the Oversight Board, commencing July 1, 2018 the Department of Finance (DOF) only recognizes actions taken by the newly established Countywide Oversight Board.

## **DISCUSSION**

### ***Prior Recognized Obligation Payment Schedule***

A DOF Determination Letter dated March 26<sup>th</sup>, 2021 accepted the Clayton Oversight Board-approved ROPS 2021-2022. Following the DOF's approval this resulted in the Clayton Successor Agency receiving \$504,508 in June 2021 AND \$138,168 in January 2022 for enforceable obligations for the one year ending June 30, 2022.

### ***Current Recognized Obligation Payment Schedule***

Included herein, as Attachment 1 to this staff report, is the Recognized Obligation Payment Schedule (ROPS 2022-2023). Pursuant to *California Health & Safety Code* section 34177(o)(1), commencing with the ROPS 2016-2017 and thereafter, agencies were authorized to submit an annual ROPS to the DOF and the CAC by February 1, 2016 and each February 1<sup>st</sup> thereafter. Following the annual submission of an approved ROPS, the DOF has been directed to make its determination of approval by the following April 15<sup>th</sup>.

On this annual ROPS, the Successor Agency is requesting Redevelopment Property Tax Trust Fund (RPTTF) monies to pay for local obligations totaling \$515,368 and \$133,855 for the six-month periods ending December 31, 2022 and June 30, 2023, respectively. In addition to RPTTF, the Successor Agency is requesting authorization to use other unencumbered Successor Agency balances to make payments on enforceable obligations consistent with the law and the DOF's March 26<sup>th</sup>, 2021 determination letter.

Subject: Adopt a Resolution to Approve and Adopt the Recognized Obligation Payment Schedule for the  
Year Ending June 30, 2023 (ROPS 2022-2023), Pursuant to the Dissolution Act  
Date: January 24<sup>th</sup>, 2022  
Page: 3 of 3

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For the six-month period ending December 31, 2022 the Successor Agency is requesting authorization to make payments on the following enforceable obligations:

- Principal and interest on the 2014 Refunding Tax Allocation Bonds,
- Trustee and other professional service fees directly related to the bonds,
- Administrative costs under *California Health & Safety Code* section 34171(b).

Immediately thereafter, for the six-month period ending June 30, 2023, the Successor Agency is requesting authorization to make payments on the following enforceable obligations:

- Interest on the 2014 Refunding Tax Allocation Bonds, and
- Administrative costs under *California Health & Safety Code* section 34171(b).

### **FISCAL IMPACT**

Once approved by the Countywide Oversight Board and subsequently the DOF, ROPS 2022-2023 will be in place for the Clayton Successor Agency to make payments on agreements and other obligations of the former Redevelopment Agency for the period of time July 1, 2022 through June 30, 2023. Absent this approval the Clayton Successor Agency is not permitted to make such payments which would cause the Successor Agency to be in breach of legal bond covenants.

#### **Attachments:**

1. Successor Agency Resolution approving the ROPS 2022-2023 Resolution (3 pages)
  - Exhibit A: Recognized Obligation Payment Schedule 2022-2023 (4 pages)

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Clayton

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 31,467</b>	<b>\$ -</b>	<b>\$ 31,467</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	31,467	-	31,467
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 483,901</b>	<b>\$ 133,855</b>	<b>\$ 617,756</b>
F RPTTF	358,901	8,855	367,756
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 515,368</b>	<b>\$ 133,855</b>	<b>\$ 649,223</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

Clayton

Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS  
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul -		
											Bond Proceeds	Reserve Balance	Other Funds
								\$1,437,048		\$649,223	\$-	\$-	\$31,467 \$3
4	Fiscal Agent Fees (US Bank Trustee)	Fees	11/01/1996	08/01/2024	US Bank	Paying Agent Fees	All	2,200	N	\$2,200	-	-	-
7	Successor Agency Functions	Admin Costs	06/25/2014	08/01/2024	City of Clayton	Expenses for Successor Agency Operation	All	250,000	N	\$250,000	-	-	-
16	Refunding Tax Allocation Bonds 2014	Refunding Bonds Issued After 6/27/12	06/25/2014	08/01/2024	US Bank	Bonds issued to refund the 1996 and 1999 non-housing RDA Tax Allocation Bonds	All	1,184,848	N	\$397,023	-	-	31,467 3

**Clayton**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.	-	-	-	38,563	-
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	972	-	-	13,154	847,101
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)	-			20,250	843,586
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				-	
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		3,515
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$972	\$-	\$-	\$31,467	\$-

**Clayton**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

<b>Item #</b>	<b>Notes/Comments</b>
4	
7	
16	



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Concord ROPS  
AGENDA ITEM: C. 5

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### **Recommendation(s)**

**ADOPT** Resolution 2022/23 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Concord** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/23  
Concord Staff Report  
Concord ROPS Summary  
Concord Admin Budget

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD**  
**FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/23**

**A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULES 22-23 AND THE ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD FOR THE PERIOD JULY 1, 2022 - JUNE 30, 2023.**

**WHEREAS**, Pursuant to State Health and Safety Code section 34177(o), commencing with the Recognized Obligation Payment Schedule (ROPS) covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to Department of Finance (DOF) and the County Auditor-Controller by each February 1; and

**WHEREAS**, Successor Agency staff prepared a ROPS for July 1, 2022, through June 30, 2023, and submitted it to the Board for review and approval, and at the same time provided a copy of the ROPS to the County Administrative Officer, the County Auditor and DOF, all as required pursuant to Health and Safety Code Section 34177(l)(2)(B); and

**WHEREAS**, Under Health and Safety Code Section 34177(j), the Successor Agency to the Redevelopment Agency of the City of Concord is to prepare a proposed Administrative Budget to cover the City of Concord's costs to undertake the required successor agency tasks to wind down the affairs of the dissolved Redevelopment Agency of the City of Concord.

**WHEREAS**, Under Health and Safety Code Section 34171(b), the "Administrative Cost Allowance" is payable from property tax revenues allocated to the successor agency to administer its assigned duties under AB 1x 26; and

**WHEREAS**, The FY 2022-23 Administrative Budget for the Successor Agency to the Redevelopment Agency of the City of Concord was included in the FY 2022-23 ROPS that is subject to approval by the State Department of Finance

**WHEREAS**, on January 24, 2022, the Oversight Board approved the ROPS and directed Successor Agency staff to submit the ROPS to DOF, the State Controller and the County Auditor and post the ROPS on the Successor Agency's website in accordance with Health and Safety Code Section 34177(l)(2)(C).

**NOW, THEREFORE, THE OVERSIGHT BOARD DOES RESOLVE AS FOLLOWS:**

**Section 1.** The Recognized Obligation Payment Schedule for the period July 1, 2022 – June 30, 2023, in the form attached to this resolution and incorporated herein by reference, is hereby approved.

**Section 2.** The staff of the Successor Agency is hereby directed to submit the ROPS to DOF, the State Controller and the County Auditor, and post the ROPS on the Successor Agency's website in accordance with Health and Safety Code Section 34177(l)(2)(C), and to cooperate with DOF to the extent necessary to obtain DOF's acceptance of the ROPS, including, if necessary, making modifications to the ROPS determined by the Successor Agency's Executive Director to be reasonable and financially feasible to meet its legally required financial obligations.

**Section 3.** This resolution shall become effective immediately upon its passage and adoption.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Concord - Suzanne McDonald, Maureen Toms, DCD, Concord - Guy Bjerke



## Staff Report

**Date:** January 24, 2022

**To:** Oversight Board

**From:** Guy Bjerke, Economic Development and Base Reuse Director

**Reviewed by:** Suzanne McDonald, Financial Operations Manager

**Prepared by:** Guy Bjerke, Economic Development and Base Reuse Director  
[Guy.Bjerke@cityofconcord.org](mailto:Guy.Bjerke@cityofconcord.org)  
(925) 671-3076

**Subject:** **Adopt Resolution No. 2022/23 approving the Recognized Obligation Payment Schedule (22-23) for July 1, 2022 through June 30, 2023 of the Successor Agency to the Redevelopment Agency of the City of Concord.**

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### Report in Brief

The Oversight Board is required to review and take action on the Successor Agency to the Redevelopment Agency of the City of Concord's Recognized Obligation Payment Schedule (ROPS) 2022-23 for the July 1, 2022 through June 30, 2023 time period. The proposed ROPS is the annual (fiscal year) ROPS cycle. The State made this change as part of legislation passed in 2015 governing Successor Agencies. Staff is requesting the Board to review and approve ROPS 22-23 (Attachment 1). Once approved by the Oversight Board, Successor Agency staff will forward the approved ROPS to the State Department of Finance (DOF), State Auditor Controller, County Administrator and County Auditor Controller for these agencies respective review by February 1, 2022. If approved by the DOF, ROPS 22-23 will be in place for the Successor Agency to make payments on agreements, Successor Agency administration and enforceable obligations of the former Redevelopment Agency for that period of time. Total amount of funds being requested for ROPS 22-23 is \$4,100,426.

### **Recommended Action**

Staff recommends that the Oversight Board adopt Resolution No. 2022/23 (Attachment 2) approving ROPS 22-23 and direct staff to submit the ROPS to the Department of Finance and other agencies as required.

### **Background**

On February 1, 2012, redevelopment agencies throughout the state were dissolved pursuant to Assembly Bill 1X 26. All of the non-housing assets and obligations of the former Redevelopment Agency of the City of Concord were transferred by operation of law to the Successor Agency of the City of Concord. Health and Safety Section 34179 provides for establishment of an Oversight Board to oversee the closeout and wind down of the former redevelopment agency.

On June 27, 2012, the Governor signed into law AB 1484 which modified the dissolution law affecting the winding down of redevelopment agencies throughout the State. As part of this law, successor agencies are required to submit an Oversight Board approved ROPS to the DOF essentially three months ahead of the each ROPS period for DOF's review. The DOF has 45 days to review the Oversight Board approved ROPS and make its determination of the enforceable obligations, obligation amounts and funding sources of the enforceable obligation no later than 45 days after the ROPS is submitted.

The Governor signed the 2015/16 Budget Trailer bill which provided for annual ROPS, commencing with ROPS July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an oversight board approved annual ROPS to DOF and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter.

### **Analysis**

The Successor Agency is responsible for administering the payments appearing on the proposed ROPS, subject to the approval of the Oversight Board, which is charged with reviewing and approving ROPS.

The Dissolution Law provides each successor agency with an administrative cost allowance equal to the greater of: (i) 3% of the property tax allocated to the Redevelopment Obligation Retirement Fund; or (ii) \$250,000; unless the amount is reduced by the Oversight Board or by agreement with the successor agency. Any amount that is not spent for actual costs incurred is returned to the County Auditor-Controller as part of the following Recognized Obligation Payment Schedule ("ROPS") true-up.

Senate Bill (SB) 107 introduced a new calculation commencing FY2016-17 for determining each successor agency's administrative cost allowance. It added a new cap on successor agency annual administrative costs. Under SB 107, a successor agency's total annual administrative costs cannot exceed 50% of the Redevelopment Property Tax Trust Fund ("RPTTF") distributed to the successor agency for the payment of approved enforceable obligations in the preceding year, reduced by the successor agency's administrative cost allowance and any City loan repayments in the preceding year. The Successor Agency's annual administrative costs (Attachment 3) do not exceed 50 percent of the RPTTF and therefore complies with SB 107.

### **ROPS Overview:**

ROPS 22-23 shows enforceable obligations on an annual basis for the specific reporting period of July 1, 2022 through June 30, 2023 and is attached to this report (Attachment 1). The following summarizes ROPS 22-23:

- Total Enforceable Obligations to be paid during the period are \$4,142,768.
- Total amount of funds being requested is \$4,100,426, which includes \$250,000 for the minimum administrative fee.
- Total funding from other sources (Rent and Interest) is \$42,342
- Refunding Bond Obligation as set forth in the 2014 Tax Allocation Refunding Bonds totaling \$3,212,250.
- Disposition and Development Agreement for the Legacy Apartment Complex requires a Tax Increment Reimbursement in the amount of \$678,663.

With previous resolutions approving the ROPS, the proposed resolution directs staff to cooperate with DOF to the extent necessary to obtain DOF's acceptance of ROPS 22-23.

### **Attachments**

1. Concord.ROPS 22-23
2. Concord.Resolution No. 2022/23
3. Concord.Administrative Budget

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Concord  
**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 42,342</b>	<b>\$ -</b>	<b>\$ 42,342</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	42,342	-	42,342
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 954,946</b>	<b>\$ 3,145,480</b>	<b>\$ 4,100,426</b>
F RPTTF	829,946	3,020,480	3,850,426
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 997,288</b>	<b>\$ 3,145,480</b>	<b>\$ 4,142,768</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Concord**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS D:  
July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - I		
											Bond Proceeds	Reserve Balance	Other Funds
								\$12,149,418		\$4,142,768	\$-	\$-	\$42,342
6	Disposition and Development Agreement	OPA/DDA/ Construction	11/14/ 2000	06/30/2027	Sequoia Equities	Tax Increment Reimbursement	1	3,393,313	N	\$678,663	-	-	42,342
21	Successor Agency Administration	Admin Costs	07/01/ 2022	06/30/2023	City of Concord	Reimburse Payroll Costs & Legal Fees	1	250,000	N	\$250,000	-	-	-
27	Annual OPEB Unfunded Liability	Unfunded Liabilities	07/01/ 2022	06/30/2023	CERBT	Former RDA's prorated share of Annual Unfunded Liability	1	-	N	\$-	-	-	-
31	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	10/01/ 2014	03/01/2025	Bank of New York	Refunding 2004 TAB and 2011 Lease Revenue Bonds	1	8,504,250	N	\$3,212,250	-	-	-
36	2014 Tax Allocation Refunding Bonds - Fiscal Agent Fees	Fees	07/01/ 2022	06/30/2023	Bank of New York	Fiscal Agent Fees for Refunding TAB	1	1,855	N	\$1,855	-	-	-
38	Disposition and Development Agreement	OPA/DDA/ Construction	11/14/ 2000	06/30/2027	Sequoia Equities	Tax Increment Reimbursement - Supplemental Taxes Paid upon Property Transfer		-	Y	\$-	-	-	-

**Concord**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
<b>ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</b>						
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/19)</b> RPTTF amount should exclude "A" period distribution amount.			264,430		40,864
<b>2</b>	<b>Revenue/Income (Actual 06/30/20)</b> RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller			-	42,342	5,291,060
<b>3</b>	<b>Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)</b>			26,302		5,329,924
						ROPS (\$40,86

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)						
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			238,128			19/20 E
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		2,000	Reserve ROPS 20/21 line 18/19, & applied to ROPS Funds, form ROPS line 31 partial PPA \$2,000
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$42,342	\$-	Rent/Interest to be used for ROPS 20/21

**Concord**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

<b>Item #</b>	<b>Notes/Comments</b>
6	
21	
27	
31	
36	
38	

**Successor Agency to the Redevelopment Agency of the City of Concord**  
**Administrative Budget**  
**July 1, 2022 to June 30, 2023**

<b>Category</b>	<b>Department/Description</b>	<b>Annual Cost</b>
Personnel Costs	Economic Development & Base Reuse Director and Finance Manager	\$87,121
Legal Expense	Outside Legal Fees	\$5,000
Audit	Annual Audit Expense	\$7,500
Insurance Fees	Annual Insurance Fees	\$1,113
Computer	Computer Equipment, Maintenance, and other IT support	\$24,397
Agency Operations	Office Space, Office Supplies, In-House City Attorney, In-House Debt/Cash Management, Utilities, etc.	\$124,869
<b>Total All Administrative Expenses</b>		<b>\$250,000</b>



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: El Cerrito ROPS  
AGENDA ITEM: C. 6

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### **Recommendation(s)**

**ADOPT** Resolution 2022/28 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **El Cerrito** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/28  
El Cerrito Staff Report  
El Cerrito ROPS Summary.

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



Resolution: 2022/28

#### **RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD FOR THE CONTRA COSTA COUNTY SUCCESSOR AGENCIES APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JULY 2022 THROUGH JUNE 2023 (ROPS 22-23) FOR THE EL CERRITO SUCCESSOR AGENCY.**

**WHEREAS**, pursuant to the California Community Redevelopment Law (the "Redevelopment Law"), the City Council (the "City Council") of the City of El Cerrito (the "City") adopted the Redevelopment Plan for the City of El Cerrito Redevelopment Project Area by Ordinance No. 77-17, as amended by Ordinances No. 80-13; No. 89-5; No. 94-4; No. 2004-3; No. 2005-01; and No. 2006-10 (collectively, the "Redevelopment Plan"); and

**WHEREAS**, the El Cerrito Redevelopment Agency (the "RDA") was responsible for implementation of the Redevelopment Plan; and

**WHEREAS**, as part of the 2011-12 State budget bill, ABx1 26 (the "Dissolution Act") was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies' affairs; and

**WHEREAS**, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the El Cerrito Redevelopment Agency Successor Agency (the "Successor Agency"), should the RDA be dissolved; and **WHEREAS**, California redevelopment agencies were dissolved on February 1, 2012; and

**WHEREAS**, pursuant to the Dissolution Act, upon dissolution, the RDA transferred as a matter of law all remaining liabilities, debts and obligations to the Successor Agency; and transferred all unencumbered funds and assets to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF"), for disposition and/or use by the Successor Agency to retire RDA debt and pay for RDA obligations; and

**WHEREAS**, pursuant to the Dissolution Act, the Contra Costa County Auditor Controller (the "Auditor-Controller") established the Redevelopment Property Tax Trust Fund (the "RPTTF") to hold Redevelopment Property Tax collected from the City of El Cerrito Redevelopment Project Area to be disbursed to the Successor Agency for payment of its enforceable obligations and to taxing entities affected by the Redevelopment Plan; and

**WHEREAS**, SB 107 was enacted on September 22, 2015, modifying the Dissolution Act to require the Successor Agency to form an Oversight Board; and submit an Oversight Board approved annual Recognized Obligations Payment Schedule to the Department of Finance (the "DOF"); and

**WHEREAS**, the Oversight Board to the Successor Agency to the El Cerrito Redevelopment Agency (the "Oversight Board") was formed on April 4, 2012; and was dissolved on June 30, 2018, by the County, and a Countywide Oversight Board came into being on January 1, 2019; and

**WHEREAS**, the Successor Agency has reviewed the draft ROPS 22-23 that was prepared pursuant to the Dissolution Act, which is attached and incorporated as Exhibit A to this Resolution, for submittal to the Countywide Oversight Board, the Auditor-Controller, and DOF; and

**WHEREAS**, the Successor Agency has determined that the amounts owed to the City constitute an enforceable obligation pursuant to Section 34171(d)(2) to be listed on the ROPS 22-23; and

**WHEREAS**, the Successor Agency wishes to authorize Successor Agency staff to amend the ROPS 22-23 administratively to account for any additional changes made by the DOF to the ROPS form or changes made by the Countywide Oversight Board that occur after the Successor Agency's consideration.

**NOW, THEREFORE, BE IT RESOLVED** that the Countywide Oversight Board for the county of Contra Costa County hereby finds, resolves, approves and determines that the foregoing recitals are true and correct, and together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions and determinations set forth below.

**BE IT FURTHER RESOLVED** in accordance with the Dissolution Act, the Oversight Board hereby approves ROPS 22-23 in the form on file with the Oversight Board's Designated Contact Official (the "ROPS 22-23"), including the agreements and obligations described on the ROPS 22-23, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.

**BE IT FURTHER RESOLVED** that this Resolution shall become effective immediately upon its passage and adoption.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** El Cerrito - SCollins, El Cerrito - Mark Rasiah, Maureen Toms, DCD, El Cerrito - Holly Charléty, Lucy Xie - El Cerrito



## AGENDA BILL

Agenda Item No. 5.J.

**Date:** December 21, 2021  
**To:** El Cerrito City Council  
**From:** Karen Pinkos, City Manager, City Management  
**Subject:** REDEVELOPMENT AGENCY SUCCESSOR AGENCY ITEM: Approve Draft Annual Recognized Obligations Payment Schedule 21-23 (July 1, 2022 - June 30, 2023)

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### ACTION PROPOSED

Adopt a Successor Agency resolution reviewing and authorizing submittal of the draft Recognized Obligations Payment Schedule 22-23.

### BACKGROUND

#### *Recognized Obligation Payment Schedules*

ABx1 26 (Dissolution Act) dissolved the El Cerrito Redevelopment Agency (RDA) and established the El Cerrito Redevelopment Successor Agency (Successor Agency) on February 1, 2012. Under the Dissolution Act, the portion of property tax revenues collected in the City of El Cerrito Redevelopment Project Area (Project Area) that was considered Tax Increment prior to the RDA's dissolution are called Redevelopment Property Tax and are deposited by the County Auditor-Controller (Auditor-Controller) into the Redevelopment Property Tax Trust Fund (RPTTF). The Auditor-Controller distributes the funds in the RPTTF with the following priority:

1. Auditor-Controller's administrative costs
2. Pass-through payments to the taxing entities affected by the Redevelopment Plan for the Project Area, calculated the same as prior to RDA dissolution
3. Distribution to the Successor Agency to retire the former RDA's obligations
4. Repayment of loans from the Housing Fund (starting in FY 2014-15)
5. Distribution of residual funds to taxing entities

Beginning with the 2016-17 ROPS period, the Successor Agency must review and authorize submittal of a Recognized Obligation Payment Schedule (ROPS) for each fiscal year. Each ROPS must then be approved by the Oversight Board to the Successor Agency (Oversight Board) and the California Department of Finance (DOF) before the Auditor-Controller disburses funding for payments on the approved ROPS.

The attached schedule is the draft ROPS 22-23 covering payments due during the period of July 2022 to June 2023. The Countywide Oversight Board has asked the Successor Agency to submit the materials for ROPS 22-23 to the County by January 12, 2022, and is scheduled to consider ROPS 22-23 for approval at its upcoming meeting on January 24, 2022. The approved ROPS 22-23 must then be submitted to the DOF no later than February 1, 2022. After submittal, the DOF then has until April 15, 2022 to review the ROPS and approve or disapprove of any items. The Successor

Agency can request additional review by the DOF and an opportunity to meet and confer on disputed items, and must make that request within five business days of receiving a DOF determination. The DOF is required to notify the Successor Agency and Auditor-Controller of its final determination of the approved payments at least 15 days prior to the first distribution date of RPTTF for the ROPS, which is June 1, 2022.

RPTTF will continue to be distributed twice annually, on June 1st and January 2nd of each year.

The annual ROPS can be amended once per year as long as the amendment is received by the DOF before October 1st of the applicable fiscal year.

### **ANALYSIS**

The proposed ROPS 22-23 is Exhibit A to the attached Successor Agency resolution, authorizing its submittal. It includes: 1) a summary of the funding request, 2) an itemized listing of obligations ("ROPS Detail"), and 3) a report of cash balances. Obligations with remaining outstanding balances are included on ROPS 22-23, as follows:

- Tax Allocation Bond Debt Service: Debt service payment for this fiscal year is due as part of ROPS 22-23 in the amount of \$2,122,794.
- Union Bank Administrative Fee (\$10,000): This fee is to cover the fiscal agent service fees charged by Union Bank for the trust administration of the 2016 Series A and B Bonds.
- FY 2022-23 Administrative Allowance (\$250,000): One half of the Successor Agency's administrative allowance is included in each six-month period on the ROPS.

The total amount of RPTTF funding required for ROPS 22-23 is estimated to be \$2,382,794.

### **STRATEGIC PLAN CONSIDERATIONS**

The amended ROPS supports Goal B of the City's Strategic Plan to "Achieve long-term financial sustainability".

### **ENVIRONMENTAL CONSIDERATIONS**

This section is not applicable to this agenda item.

### **FINANCIAL CONSIDERATIONS**

It is estimated that the total amount of RPTTF funding required for ROPS 22-23 is \$2,382,794. In order to repay the obligations of the Successor Agency, the ROPS must be approved and submitted to the DOF.

### **LEGAL CONSIDERATIONS**

All actions being requested are consistent with the Dissolution Act, as amended and have been reviewed by the Agency attorney.

**Reviewed by:**

A handwritten signature in black ink, appearing to read 'Alexandra Orologas', written in a cursive style.

Alexandra Orologas, Assistant City Manager

**Attachments:**

1. Resolution
2. ROPS 22-23

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** El Cerrito

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 1,191,397</b>	<b>\$ 1,191,397</b>	<b>\$ 2,382,794</b>
F RPTTF	1,066,397	1,066,397	2,132,794
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 1,191,397</b>	<b>\$ 1,191,397</b>	<b>\$ 2,382,794</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**El Cerrito**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS I**  
**July 1, 2022 through June 30, 2023**

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 22-23 Total	L	M	N	O
											ROPS 22-23A (Jul - Dec)			
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF
								\$8,963,705		\$2,382,794	\$-	\$-	\$-	\$1,066,39
25	Administrative Allowance	Admin Costs	06/01/2014	09/01/2025	City of El Cerrito	Annual allowance	El Cerrito	625,000	N	\$250,000	-	-	-	
29	2016 Tax Allocation Bonds	Bonds Issued After 12/31/10	08/04/2016	09/01/2025	Union Bank	Refunding of prior outstanding bonds.	El Cerrito	8,298,705	N	\$2,122,794	-	-	-	1,061,39
30	Fiscal Agent Fees	Bonds Issued After 12/31/10	08/04/2016	09/01/2025	Union Bank	Fees for fiscal agent	El Cerrito	40,000	N	\$10,000	-	-	-	5,000

**El Cerrito**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.		1,137	301,782	176	-
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller					2,293,568
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)			292,275		2,005,351
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC		No entry required			288,217
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$1,137	\$9,507	\$176	\$-

**El Cerrito  
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes  
July 1, 2022 through June 30, 2023**

<b>Item #</b>	<b>Notes/Comments</b>
25	
29	
30	



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Hercules ROPS  
AGENDA ITEM: C. 7

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### **Recommendation(s)**

**ADOPT** Resolution 2022/29 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Hercules** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/29  
Hercules Staff Report  
Hercules ROPS Summary

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/29**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET OF THE HERCULES REDEVELOPMENT SUCCESSOR AGENCY FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023.**

**WHEREAS**, the Contra Costa Countywide Oversight Board ("Oversight Board") has been established to direct the Successor Agency to the Hercules Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Hercules Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26, 471 and 1484 and Senate Bill 107, as codified in the California Health and Safety Code); and

**WHEREAS**, Section 34179 of the Dissolution Act provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, Section 34177 of the Dissolution Act requires the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS") on an annual basis; and

**WHEREAS**, in order for the ROPS to be deemed valid, and therefore eligible for payment, it must be approved by the Oversight Board and a copy of the approved ROPS must be submitted to the Contra Costa County Auditor-Controller ("CAC"), the State Controller's Office, and California Department of Finance ("DOF"), and posted on the Successor Agency's website; and

**WHEREAS**, Successor Agency staff has prepared the attached ROPS 22-23 for the period of July 1, 2022, through June 30, 2023, (Exhibit "A") ; and

**WHEREAS**, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed annual administrative budget and submit it to the Oversight Board for approval; and

**WHEREAS**, the Successor Agency's proposed Fiscal Year 2022-23 Administrative Budget for the period July 1, 2022, to June 30, 2023, is requested in the ROPS 22-23; and

**WHEREAS**, the Successor Agency has submitted the ROPS 22-23 and Administrative Budget to the Oversight Board for approval.

**NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY DOES HEREBY RESOLVE AS FOLLOWS:**

1. The Hercules Successor Agency ROPS for July 1, 2022 through June 30, 2023, in the form attached to this resolution as Exhibit "A" and incorporated herein by reference, is hereby approved.
2. The staff of the Successor Agency is hereby directed to submit the ROPS 22-23 to the CAC, the State Controller's Office, and DOF, post it on the Successor Agency's website in accordance with HSC Section 34177(l)(2)(C), and to cooperate with DOF to the extent necessary to obtain DOF's acceptance of the ROPS, including, if necessary, making modifications to the ROPS determined by the Executive Director of the Redevelopment Successor Agency to be reasonable and financially feasible to meet its legally required financial obligations.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Hercules - Suzy Kim, Hercules - Edwin Gato, Maureen Toms, DCD

**STAFF REPORT OF THE SUCCESSOR AGENCY TO THE HERCULES  
REDEVELOPMENT AGENCY**

**DATE:** January 24, 2022

**TO:** The Contra Costa Countywide Oversight Board

**SUBMITTED BY:** Dante Hall, City Manager/Executive Director  
Successor Agency to the Hercules Redevelopment Agency

**SUBJECT:** Recognized Obligation Payment Schedule and Administrative Budget for  
the period of July 1, 2022 through June 30, 2023 (ROPS 22-23)

**RECOMMENDED ACTION:**

Adopt a resolution approving the Recognized Obligation Payment Schedule and Administrative Budget for the period July 1, 2022 through June 30, 2023 (ROPS 22-23)

**DISCUSSION:**

Health and Safety Code (HSC) Section 34177 requires that successor agencies must, amongst other things, prepare a Recognized Obligation Payment Schedules (ROPS) for each upcoming fiscal year. A ROPS is the document that sets forth the maximum payment amounts and due dates of payments required by enforceable obligations. Enforceable obligations are defined in HSC Section 34171(d) and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Successor agencies are required to submit the ROPS to the Countywide Oversight Board then the California Department of Finance (DOF) for approval. Successor agencies are also required to prepare an annual administrative budget, which Hercules has incorporated into the ROPS.

**Highlights for ROPS 22-23**

Hercules ROPS 22-23 requests \$16,935,736 in obligations, of which \$15.7 million is from Redevelopment Property Tax Trust Funds (RPTTF) and \$1.2 million is from Reserve Balance. Obligations consist of bond debt service and related fees (\$14.3 million), payments owed to third parties pursuant to various agreements entered into prior to dissolution (\$2.4 million), and an administrative cost allowance (\$250,000).

Of the \$14.3 million requested for debt service and related fees, \$8.2 million is for debt service and fees due in the ROPS 22-23 period and \$6.1 million is requested as a reserve for debt service owed in the ROPS 23-24 period. The bond indentures require all bond debt service owed for the bond year (February 2023 and August 2023) to be requested in the ROPS 22-23B period. The reserve will be

funded only to the extent RPTTF is available, and any RPTTF received for the reserve on the ROPS 22-23 will decrease the amount of RPTTF requested on the ROPS 23-24.

Last year, the Successor Agency received \$1.2 million as a reserve for debt service due in the ROPS 22-23A period. As a result, ROPS Item 1, the 2005 Tax Allocation Bonds, requests \$1.2 million from Reserve Balance.

The Oversight Board is considering a separate agenda item authorizing the refunding of outstanding bonds issued by the former Hercules Redevelopment Agency. If the Oversight Board and Department of Finance approve the refinancing, debt service payments will decrease as a result of savings from the refinance. Item 32 lists a new item for the pending 2022 Tax Allocation Refunding Bonds (2022 Bonds) with a \$0 expense. If the refinancing is successful, ROPS Item 32 will replace ROPS Items 1-4 on future ROPS. Listing the pending 2022 Bonds on the ROPS 22-23 allows the Successor Agency to amend the ROPS 22-23 in the future if needed.

Item 16 lists a \$50.5 million outstanding loan owed from the City to the former Redevelopment Agency. No repayments are requested nor expected on the ROPS 22-23. The Successor Agency will only request funding for this item in the future if it becomes eligible through legislative changes.

The ROPS 22-23 Report of Cash Balance worksheet shows the RPTTF money received for ROPS 19-20 (July 1, 2019 through June 30, 2020) was fully expended.

#### **ATTACHMENTS:**

1. Resolution (includes Exhibit A Recognized Obligation Payment Schedule July 1, 2022 through June 30, 2023).

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Hercules

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 1,228,347</b>	<b>\$ -</b>	<b>\$ 1,228,347</b>
B Bond Proceeds	-	-	-
C Reserve Balance	1,228,347	-	1,228,347
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 6,086,326</b>	<b>\$ 9,621,063</b>	<b>\$ 15,707,389</b>
F RPTTF	5,961,326	9,496,063	15,457,389
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 7,314,673</b>	<b>\$ 9,621,063</b>	<b>\$ 16,935,736</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Hercules**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS  
July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total
								\$498,770,202		\$16,935,73
1	2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	08/05/2005	08/05/2036	Bank of New York	Bonds issued to fund non-housing projects	All	39,082,519	N	\$3,135,35
2	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/20/2007	12/20/2044	Bank of New York	Bonds issued to fund non-housing projects	All	74,665,063	N	\$3,310,79
3	2007 Tax Allocation Bonds Housing(A)	Bonds Issued On or Before 12/31/10	07/26/2007	07/26/2034	Bank of New York	Affordable Housing Bonds	All	11,923,428	N	\$1,002,22
4	2007 Tax Allocation Bonds Housing(B)	Bonds Issued On or Before 12/31/10	07/26/2007	07/26/2034	Bank of New York	Affordable Housing Bonds	All	8,840,840	N	\$738,65
5	Catellus/Hercules LLC	OPA/DDA/Construction	01/01/2009	02/15/2044	Catellus	Settlement Agreement	All	55,232,434	N	\$2,249,66
10	OPA (Owner Participation Agreement)	OPA/DDA/Construction	11/15/1996	11/15/2041	Hercules Senior Housing/Bridge	OPA for Senior Housing	All	2,730,000	N	\$130,00
12	Lease of Commercial Space	Business Incentive Agreements	04/05/2002	07/01/2017	Emmerich	Rent for commercial space	All	-	Y	
13	Lease of Commercial Space	Business Incentive Agreements	10/01/2007	09/20/2012	Montoya	Rent for commercial space	All	-	Y	

A	B	C	D	E	F	G	H	I	J	K
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total
			2022							
25	2005 Tax Allocation Bonds	Reserves	08/05/2005	08/05/2036	AMBAC Surety Bond	Bonds issued to fund non-housing projects	All	-	N	
26	2007 Tax Allocation Bonds	Reserves	12/20/2007	12/20/2044	AMBAC Surety Bond	Bonds issued to fund non-housing projects	All	-	N	
27	2007 Tax Allocation Bonds Housing (A)	Reserves	07/26/2007	07/26/2034	Assured Guaranty	Affordable Housing Bonds	All	-	N	
28	2007 Tax Allocation Bonds Housing (B)	Reserves	07/26/2007	07/26/2034	Assured Guaranty	Affordable Housing Bonds	All	-	N	
31	Debt Service Reserve	Reserves	08/05/2005	12/20/2044	Bank of New York	Retain reserve as required by indenture for 2005 and 2007 bonds (ROPS Items 1-4)	All	134,511,850	N	\$6,113,000
32	2022 Tax Allocation Refunding Bond	Refunding Bonds Issued After 6/27/12	08/01/2022	02/01/2043	Bank of New York	Pending refinancing of 2005 and 2007 bonds (ROPS Items 1-4)	All	109,391,088	N	

**Hercules**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.						
A	B	C	D	E	F	G
	<b>ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</b>	<b>Fund Sources</b>				
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/19)</b> RPTTF amount should exclude "A" period distribution amount.	8,796,136		156,279	14,283	130,520
<b>2</b>	<b>Revenue/Income (Actual 06/30/20)</b> RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				18,900	9,182,745
<b>3</b>	<b>Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)</b>			156,279		9,313,265
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/20)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	8,796,136				
<b>5</b>	<b>ROPS 19-20 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC					
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/20)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$33,183</b>	<b>\$-</b>

**Hercules**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
1	
2	
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32	Contract term and total obligation pending closing of bond refinancing and subject to change



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Lafayette ROPS  
AGENDA ITEM: C. 8

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### **Recommendation(s)**

**ADOPT** Resolution 2022/26 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Lafayette** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/30  
Lafayette Staff Report  
Lafayette ROPS Summary

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/30**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY APPROVING SUCCESSOR AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SUCCESSOR AGENCY TO THE LAFAYETTE REDEVELOPMENT AGENCY.**

**WHEREAS**, each Successor Agency must prepare a ROPS for the period July 2022 -June 2023 (ROPS 22-23); and,

**WHEREAS**, each ROPS must be approved by the Oversight Board and forwarded to county auditor-controller, the State Controller and the Dept. of Finance and posted on the Successor Agency's web site on or before February 1, 2022;

**NOW THEREFORE, BE IT RESOLVED THAT:** The Countywide Oversight Board for Contra Costa County approves the attached Recognized Obligation Payment Schedule for July 2022 through June 2023 for the Successor Agency to the Lafayette Redevelopment Agency.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Lafayette - Tracy Robinson, Lafayette - Jennifer Wakeman, Maureen Toms, DCD



City Council

Teresa Gerringer, Mayor  
Carl Anduri, Vice Mayor  
Susan Candell, Council Member  
Gina Dawson, Council Member  
Wei-Tai Kwok, Council Member

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**Date:** January 24, 2022

**Staff:** Tracy Robinson, City of Lafayette, Administrative Services Director

**Subject:** City Lafayette Redevelopment Successor Agency ROPS 22-23 (Items #7, #14, #17 & #18)

The Lafayette Successor Agency has the following recognized obligations:

1. (ROPS Item #7) – Mercantile Owner Participation Agreement (OPA) for Parking  
The City entered into an agreement with a developer to use parking spaces in the “Mercantile Building” for public parking purposes during authorized times. In return, the City agreed to rebate the developer 50% of the net tax increment on the property-- less fees and pass-throughs – until a total net present value (NPV) of \$600,000 is paid. The discount rate is 7% per year. Given current calculations, the maximum tax increment payable will be reached in FY26-27.
2. (ROPS Items #14 & #17) – Tax Allocation Bond Series 2014 & 2015  
These are payments on bonds for the construction of the Lafayette Library & Learning Center and the Veterans Memorial Building. While the amortization schedule shows bi-annual payments due in January and July, the bond agreements specify that both payments be made in January to the extent possible with available funds from the RPTTF distribution for the period. Any amounts outstanding are to be paid from the next distribution.
3. (ROPS Item #18) – Administrative Cost Allowance  
This line item recovers the cost of bond fees and administrative and legal costs in support of the Successor Agency and is requested at the minimum amount of \$250,000.

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Lafayette

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 331,342</b>	<b>\$ 2,565,888</b>	<b>\$ 2,897,230</b>
F RPTTF	331,342	2,565,888	2,897,230
G Administrative RPTTF	-	-	-
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 331,342</b>	<b>\$ 2,565,888</b>	<b>\$ 2,897,230</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Lafayette**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS D**  
**July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul		
											Bond Proceeds	Reserve Balance	Other Funds
								\$32,068,796		\$2,897,230	\$-	\$-	\$-
7	Mercantile OPA for Parking	OPA/DDA/ Construction	12/08/ 2003	01/27/2040	Cortese Properties, LLC	Parking in downtown	Lafayette	406,991	N	\$81,342	-	-	-
14	Tax Allocation Bond Series 2014	Bonds Issued After 12/31/10	02/12/ 2014	08/01/2038	Wells Fargo Bank	Bonds to fund non-housing projects	Lafayette	12,755,000	N	\$1,092,400	-	-	-
16	Parking Fund Loan	City/County Loan (Prior 06/28/11), Cash exchange	03/27/ 2003	01/27/2040	City of Lafayette	Library parking construction	Lafayette	-	N	\$-	-	-	-
17	Tax Allocation Bond Series 2015	Bonds Issued After 12/31/10	11/01/ 2015	08/01/2039	Wells Fargo Bank	Bonds to fund non-housing projects	Lafayette	18,656,805	N	\$1,473,488	-	-	-
18	Administrative Costs	Admin Costs	07/01/ 2018	06/30/2019	City of Lafayette	Administrative Costs		250,000	N	\$250,000	-	-	-

**Lafayette**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.					
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller					
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)					
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		21,295
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$(21,295)

**Lafayette**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

<b>Item #</b>	<b>Notes/Comments</b>
7	
14	
16	
17	
18	



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Oakley-ROPS  
AGENDA ITEM: C. 9

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### **Recommendation(s)**

**ADOPT** Resolution 2022/31 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Oakley** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/31  
Oakley SR/SA ROPS 22-23  
Oakley Staff Report.  
Oakley ROPS Summary  
SA Admin Budget 2022-23

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/31**

**A RESOLUTION OF THE BOARD OF THE CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD APPROVING AND ADOPTING THE SUCCESSOR AGENCY TO THE CITY OF OAKLEY COMMUNITY REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023 (ROPS 2022/2023), PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34177 AND 34171.**

**WHEREAS**, Section 34177(1)(2) of the California Health and Safety Code requires the Successor Agency to the City of Oakley Redevelopment Agency ("Successor Agency") to submit to the Contra Costa County Consolidated Oversight Board ("Board") for approval a Recognized Obligation Payment Schedule ("ROPS") and an Administrative Budget for the administrative costs of the Successor Agency; and

**WHEREAS**, Successor Agency staff had prepared the attached ROPS 2022/2023 and Administrative Budget and submitted them to the Board for review and approval; and

**WHEREAS**, the Board desires to approve the attached ROPS 2021/2022 in order to pay approved enforceable obligations for the period of July 1, 2022, through June 30, 2023;

**NOW, THEREFORE, BE IT RESOLVED** that the Board approves the Recognized Obligations Payment Schedule for Fiscal Year 2022/2023, attached hereto as Exhibit A, and the Administrative Budget, attached hereto as Exhibit B.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Oakley - Tim Przybyla, Maureen Toms, DCD



## STAFF REPORT

**DATE:** January 25, 2022  
**TO:** Joshua McMurray, City Manager  
**FROM:** Tim Przybyla, Finance Director

*Approved and Forwarded to the City Council*

**SUBJECT: Resolution Approving a Recognized Obligations Payment Schedule (ROPS) and Administrative Budget for the Fiscal Year of July 2022 through June 2023**

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### **Background and Analysis**

SB 107 was signed into law on September 22, 2015, changing the ROPS filing cycle from semiannual (July to December and January to June) to annual (July to June). Attached is the completed ROPS, in the form provided by the State Department of Finance (DOF). The attached ROPS must be approved by the Agency's Board and Oversight Board and submitted to DOF by February 1, 2022. DOF must also approve by April 15<sup>th</sup> before the County Auditor-Controller will release property taxes from its Redevelopment Property Tax Trust Fund to the Agency in July and January for the fiscal year 2022/2023.

The Health and Safety Code Section 34171(a), (b) and Section 34177(j) require the Successor Agency to approve annually an Administrative Budget for administrative costs of the Successor Agency. The administrative cost allowance is allocated to the Successor Agency each fiscal year to reimburse the agency for their expenses in winding-down the activities and debt service obligations of the former Redevelopment Agency.

### **Fiscal Impact**

For items approved by DOF, the ROPS defines the payments allowed by the Successor Agency. The expenditures proposed are limited to paying remaining enforceable obligations, debt service, amounts necessary to maintain the Agency's properties, and to pay the City the administrative allowance allowed under statute. The administrative allowance is allowed under statute and is listed on the Successor Agency ROPs as an enforceable obligation.

**Staff Recommendation**

Staff recommends the Board adopt the attached Resolution approving the ROPS and Administrative Budget attached for the next fiscal year July 1, 2022 through June 30, 2023.

**Attachments**

1. Resolution
2. Recognized Obligations Payment Schedule for fiscal year 2022/2023
3. Administrative Budget



## STAFF REPORT

**DATE:** January 24, 2022

**TO:** Contra Costa Countywide Oversight Board

**FROM:** Oakley Successor Agency

**SUBJECT:** Resolution Approving the Administrative Budget for FY 2022/2023

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### **Background and Analysis**

The successor agency is required to prepare a ROPS which reports one year of enforceable obligations and includes administrative costs. The attached ROPS and Administrative Budget must be approved by the Agency's Board and the Countywide Oversight Board and submitted to the Department of Finance by February 1, 2021. The Successor Agency Board is scheduled to approve the resolution for the 2022/2023 ROPS on January 24, 2022.

### **Fiscal Impact**

For items approved by DOF, the ROPS defines the payments allowed by the Successor Agency. The expenditures proposed are limited to paying remaining enforceable obligations, debt service, amounts necessary to maintain the Agency's properties, and to pay the City the administrative allowance as allowed under statute.

### **Staff Recommendation**

Staff recommends the Board adopt the attached Resolution approving the Administrative Budget for FY 2022/2023.

### **Attachments**

1. Resolution
2. Recognized Obligations Payment Schedule for Fiscal Year 2022/2023
3. Administrative Budget for Fiscal Year 2022/2023

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Oakley

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 1,352,443</b>	<b>\$ -</b>	<b>\$ 1,352,443</b>
B Bond Proceeds	-	-	-
C Reserve Balance	1,352,443	-	1,352,443
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 133,850</b>	<b>\$ 1,951,112</b>	<b>\$ 2,084,962</b>
F RPTTF	8,850	1,826,112	1,834,962
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 1,486,293</b>	<b>\$ 1,951,112</b>	<b>\$ 3,437,405</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Oakley**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail**  
**July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					ROPS 22-23B (Jan - Jun)					22-23B Total		
											Fund Sources					Fund Sources							
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF			
11	SA Administrative Allowance	Admin Costs	07/01/2018	06/30/2019	City of Oakley	Administrative allowance for the 15-16A ROPS, as prescribed (\$125k, including the Annual External Audit )	Oakley	250,000	N	\$250,000	\$-	\$1,352,443	\$-	\$-	\$8,850	\$125,000	\$1,486,293	\$-	\$-	\$-	\$1,826,112	\$125,000	\$1,951,112
42	2015 TABS DS (Series A & B)	Refunding Bonds Issued After 6/27/12	05/18/2015	09/01/2028	US Bank Trust	Debt Service Payable in September and March of each year	Oakley	4,010,000	N	\$660,830	-	589,559	-	-	-	-	\$589,559	-	-	-	71,271	-	\$71,271
43	Annual Trustee/Fiscal Agent Fees	Fees	05/18/2015	09/01/2028	US Bank Trust	Annual Trustee Fees for 2015 Bonds (Series A & B)	Oakley	2,500	N	\$2,500	-	-	-	2,500	-	\$2,500	-	-	-	-	-	\$-	
44	Continuing Disclosure Services	Fees	05/18/2015	09/01/2028	NBS Financial	Annual Continuing Disclosure Services for 2015 Bonds	Oakley	2,200	N	\$2,200	-	-	-	2,200	-	\$2,200	-	-	-	-	-	\$-	
46	2018 TAB	Refunding Bonds Issued After 6/27/12	06/28/2018	09/01/2038	US Bank Trust	Debt Service Payable in September and March of each year		17,910,000	N	\$1,144,669	-	762,884	-	-	-	\$762,884	-	-	-	-	381,785	-	\$381,785
47	Annual Trustee/Fiscal Agent Fees	Fees	06/28/2018	09/01/2038	US Bank Trust	Annual Trustee Fees for 2018 Bonds		1,200	N	\$1,200	-	-	-	1,200	-	\$1,200	-	-	-	-	-	\$-	
48	Continuing Disclosure Services	Fees	06/28/2018	09/01/2038	NBS Financial	Annual Continuing Disclosure Services for		2,950	N	\$2,950	-	-	-	2,950	-	\$2,950	-	-	-	-	-	\$-	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)						ROPS 22-23B (Jan - Jun)						22-23B Total
											Fund Sources			Fund Sources			Fund Sources			Fund Sources			
											Bond Proceeds	Reserve Balance	Other Funds	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	Admin RPTTF	
49	2015 & 2018 TAB Debt Reserve Fund	Reserves	06/28/2018	09/01/2038	US Bank Trust	2018 Bonds Set aside for debt service due in each calendar year, per bond covenant		1,373,056	N	\$1,373,056	-	-	-	-	-	-	-	-	-	1,373,056	-	\$1,373,056	

**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.				207,754		
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				18,398	3,055,537	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)				81,807	1,735,514	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				125,947	1,320,023	
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		1,095	
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$18,398	\$(1,095)	

**Oakley**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
11	
42	
43	
44	
46	
47	
48	
49	



**SUCCESSOR AGENCY TO THE FORMER CITY OF OAKLEY  
REDEVELOPMENT AGENCY**

**ADMINISTRATIVE BUDGET  
JULY 1, 2022 TO JUNE 30, 2023**

<b>CATEGORY</b>	<b>DEPARTMENT/DESCRIPTION</b>	<b>2022/2023</b>
Wages & Benefits	City Manager	\$ 30,804
Wages & Benefits	Economic Development Management Analyst	\$ 42,684
Wages & Benefits	City Clerk	\$ 6,766
Wages & Benefits	Deputy City Clerk	\$ 4,830
Wages & Benefits	Director of Finance	\$ 41,803
Wages & Benefits	Community Development Director	\$ 16,370
Wages & Benefits	Accounting Manager	\$ 27,340
Wages & Benefits	City Council	\$ 3,184
Contract Services	Legal expenses for Successor Agency Admin	\$ 15,000
Contract Services	Audit Services	\$ 5,000
Information Technology	Computer and other equipment maintenance	\$ 10,000
Property Management	Property for future development costs	\$ 25,000
Agency Operations	Postage, utilities, office supplies, office space etc.	\$ 21,219
		<hr/>
		<b>\$ 250,000</b>



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Pinole-ROPS  
AGENDA ITEM: C.10

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### **Recommendation(s)**

**ADOPT** Resolution 2022/32 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Pinole** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/32  
Pinole Staff Report.  
Pinole ROPS Summary

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



Resolution: 2022/32

#### RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD, CONTRA COSTA COUNTY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2022, THROUGH JUNE 30, 2023, (ROPS 22-23) FOR PINOLE SUCCESSOR AGENCY.

**WHEREAS**, Assembly Bill x1 26 ("AB 26") was passed by the California State Legislature, signed by the Governor, and has been codified as part 1.8 of Division 24 of the California Health and Safety Code, commencing with Section 34161; and

**WHEREAS**, AB 26 requires successor agencies to continue to make all scheduled payments for enforceable obligations of their predecessor redevelopment agencies; and

**WHEREAS**, pursuant to HSC section 34179.7(o)(1), commencing with the ROPS covering the period from July 1, 2016, to June 30, 2017 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to the State Department of Finance and the County Auditor-Controller by February 1, 2016, and each February 1 thereafter; and

**WHEREAS**, as of July 1, 2018, 17 Oversight Boards expired and only one Oversight Board in Contra Costa County was established to oversee all redevelopment successor agencies in the County; and

**WHEREAS**, the ROPS was reviewed by the Pinole Successor Agency Governing Board and approved by resolution on January 18, 2022, prior to submission to the Countywide Oversight Board.

**NOW THEREFORE, BE IT RESOLVED** that the Contra Costa Countywide Oversight Board does hereby resolve that the Recognized Obligation Payment Schedule for the period July 1, 2022, through June 30, 2023, herein provided as Attachment B, is hereby approved.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Pinole - Markisha Guillory, Maureen Toms, DCD



## COUNTYWIDE OVERSIGHT BOARD REPORT

**DATE:** JANUARY 24, 2022

**TO:** COUNTYWIDE OVERSIGHT BOARD MEMBERS

**FROM:** MARKISHA GUILLORY, PINOLE FINANCE DIRECTOR

**SUBJECT:** ADOPT RESOLUTION X APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2022 – JUNE 30, 2023 (ROPS 22-23) FOR THE SUCCESSOR AGENCY IN THE AMOUNT OF \$6,296,775

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### **RECOMMENDATION**

Adopt Resolution X approving the Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) for the Successor Agency in the amount of \$6,296,775.

### **BACKGROUND**

The City of Pinole became the Successor Agency to the former Pinole Redevelopment Agency (Agency) following the dissolution of redevelopment in California on February 1, 2012 through ABX1 26. The Successor Agency is responsible for winding down and paying off the debts of the former Agency. The Pinole City Council serves as the Successor Agency's governing board.

The Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) for each twelve-month fiscal period in order to request property tax increment funds to pay down approved enforceable obligations and administrative costs of the Successor Agency. The ROPS must be approved by the Countywide Oversight Board of Contra Costa County and submitted to the California Department of Finance in order for the Successor Agency to receive funds.

The Successor Agency requests the Oversight Board's adoption of the attached resolution approving the ROPS and Administrative Budget for the period of July 1, 2022 through June 30, 2023. The Governing Board of the Successor Agency to the Redevelopment Agency of the City of Pinole will approve the ROPS 22-23 by resolution at its meeting on January 18, 2022.

### **REVIEW & ANALYSIS**

The enclosed ROPS document is a listing of the minimum amounts that are required (scheduled) to be paid by the Successor Agency during the twelve-month period of

July 1, 2022 through June 30, 2023 and includes the identification of a proposed funding source for payment of the existing enforceable obligations. This schedule must be reviewed and approved by the County Oversight Board prior to submission to the State Department of Finance (DOF) for final confirmation.

The DOF requires that residual/surplus funding that the Successor Agency received in prior ROPS be applied as an offset for additional distributions from the County Auditor-Controller. The Successor Agency does not have any residual/surplus funding from the most recent prior ROPS for which accounting has been completed, ROPS 19-20, and therefore has no funding to apply to the ROPS 22-23 (refer to "Report of Cash Balances"). As a result, staff is requesting the full amount of \$6,296,775 for the ROPS 22-23 funding period.

Ongoing activities required to wind down the Successor Agency and the various remaining enforceable obligations are listed in the Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail (attached). As of June 30, 2022, the Successor Agency will have remaining obligations of approximately \$10,770,177 that need to be paid off, from property tax increment funds. These obligations are expected to be fully paid off by the fiscal year ending June 30, 2024.

### **FISCAL IMPACT**

Staff anticipates there will be sufficient funding available in the Redevelopment Property Tax Trust Fund (RPTTF) Account held by the Contra Costa County Auditor-Controller to fully fund all Enforceable Obligations totaling \$6,296,775, identified for the ROPS 22-23 authorization period.

### **ATTACHMENTS**

- A – Resolution
- B – Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23), Successor Agency

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Pinole

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 6,122,565</b>	<b>\$ 174,210</b>	<b>\$ 6,296,775</b>
F RPTTF	5,996,682	50,093	6,046,775
G Administrative RPTTF	125,883	124,117	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 6,122,565</b>	<b>\$ 174,210</b>	<b>\$ 6,296,775</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Pinole**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS District  
July 1, 2022 through June 30, 2023**

Item #	B	C	D	E	F	G	H	I	J	K	L	M	N
											ROPS 22-23A (July 1, 2022 through June 30, 2023)		
											Bond Proceeds	Reserve Balance	Other Funds
		Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total			
								\$10,770,177		\$6,296,775	\$-	\$-	\$- \$5
7	Bond Indenture Agreements	Fees	09/01/2004	08/01/2023	US Bank, National Trust	Trustee, Paying Agent & Dissemination Agent Fees for Bond Indentures	Pinole Vista	4,646	N	\$4,646	-	-	-
20	Housing & Non-housing Professional Services Agreement	Fees	04/03/2007	06/30/2022	AmeriNation Community Services	Monthly loan processing service for outstanding redevelopment loans to both individuals and business entities	Pinole Vista	6,000	N	\$6,000	-	-	-
21	Bond Indenture Professional Service Agreement	Fees	09/01/2004	08/01/2023	BLX Group, LLC Inc.	Income Tax Arbitrage Analysis and IRS Tax Filing for Indenture Reserve Investment Accounts	Pinole Vista	-	N	\$-	-	-	-
24	Pinole Vista Restaurant Phase Consulting Services Agreement	Professional Services	12/19/2008	12/13/2025	Shelter Bay Retail Group	Consulting Services for Financial Management for Restaurant	Pinole Vista	-	Y	\$-	-	-	-

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds
						assessments							
27	Financial Reporting Services Bond Indentures	Admin Costs	05/16/2018	06/30/2022	Badawi Associates, CPA's	Auditing services for Continuing Financial Disclosure required by Bond Indentures	Pinole Vista	1,765	N	\$1,765	-	-	-
31	Successor Agency Administrative Cost Allowance	Admin Costs	07/01/2018	06/30/2022	City of Pinole	Payroll Cost Allocations for Administrative Staff Support of the Pinole Successor Agency	Pinole Vista	233,235	N	\$233,235	-	-	-
33	Legal/Attorney Support Services Agreement	Admin Costs	07/01/2018	06/30/2022	Meyers, Nave, Riback, Silver & Wilson	Legal/Attorney Support Services	Pinole Vista	15,000	N	\$15,000	-	-	-
37	Short-term Borrowing Agreement	SERAF/ERAF	02/16/2010	06/30/2024	City of Pinole	Repayment of SERAF payments (2009-10 & 2010-11) to State of California funding by Housing Set-Aside Fund	Pinole Vista	2,541,575	N	\$1,678,692	-	-	- 1
45	Pinole Vista Redevelopment District 2015A	Refunding Bonds Issued After December 31, 2015A	08/06/2015	08/01/2023	US Bank, National Trust	Indenture Debt Service Payments for	Pinole Vista	7,959,456	N	\$4,348,937	-	-	- 4

# Pinole

## Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances July 1, 2019 through June 30, 2020 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.						
A	B	C	D	E	F	G
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.					260,140
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				97,176	5,396,474
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)					5,497,999 Other F earned
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		-
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$97,176	\$158,615

**Pinole**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
7	
20	This continues to be an ongoing obligation of the former Redevelopment Agency that was previously approved and later denied.
21	
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## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Pittsburg ROPS  
AGENDA ITEM: C.11

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### **Recommendation(s)**

**ADOPT** Resolution 2022/24 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Pittsburg** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/24  
Pittsburg Staff Report  
Pittsburg ROPS Summary

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/24**

**IN THE MATTER OF ADOPTION OF A COUNTYWIDE OVERSIGHT BOARD RESOLUTION APPROVING THE JULY 1, 2022 - JUNE 30, 2023, RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG.**

**WHEREAS**, on June 29, 2011, California State's budget was signed and along with it, adopted California State Legislation AB26x1, also known as the "Dissolution Act"; and

**WHEREAS**, on December 29, 2011, the California Supreme Court found Dissolution Act constitutional, thereby dissolving the Redevelopment Agency of the City of Pittsburg effective February 1, 2012; and

**WHEREAS**, pursuant to the Dissolution Act and California Health and Safety Code 34177, the Successor Agency for the Redevelopment Agency of the City of Pittsburg (Pittsburg Successor Agency) is required to prepare a Recognized Obligation Payment Schedule (ROPS), covering a six-month period and identifying the Pittsburg Successor Agency's financial obligation during said six-month period; and

**WHEREAS**, while the Pittsburg Successor Agency may not initiate any new activities nor incur new indebtedness, it is nevertheless required under legislative statute and court order to continue making those payments necessary for day to day operations pursuant to contractual commitments/enforceable obligations, regulatory authorities, and indebtedness entered into prior to the enactment of the Dissolution Act; and

**WHEREAS**, on June 27, 2012, the Governor signed into law budget trailer bill AB 1484. AB 1484 imposes new requirements on successor agencies with regard to the submittal of the ROPS; and

**WHEREAS**, budget trailer bill SB 107 was approved and signed by the Governor and took immediate effect on September 22, 2015. The primary purpose of SB 107 is to make technical and substantive amendments to the existing Dissolution Act; and

**WHEREAS**, pursuant Section 34177, as amended, changed the review of ROPS from semi-annual to annual; and

**WHEREAS**, the Pittsburg Successor Agency's ROPS largely consists of debt service related expenses, administrative expenses, and other eligible enforceable obligation; and

**WHEREAS**, upon receiving Countywide Oversight Board approval of the ROPS for the period of July 1, 2022 – June 30, 2023 (ROPS 22-23), staff will submit ROPS 22-23 to the California State Department of Finance, the County Auditor-Controller's Office, and the California State Controller's Office.

**NOW, THEREFORE, BE IT RESOLVED** that the Countywide Oversight Board hereby adopts this Resolution, approving ROPS 22-23.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Pittsburg - Maria Alliotti, Maureen Toms, DCD, Pittsburg - Bill Zenoni , Pittsburg - Janielyn Bayona



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR  
65 Civic Avenue  
Pittsburg, CA 94565**

**TO:** Countywide Oversight Board

**FROM:** Garrett Evans, Executive Director

**SUBJECT:** Adoption of a Countywide Oversight Board Resolution Approving the July 1, 2022 – June 30, 2023 Recognized Obligation Payment Schedule for the Successor Agency for the Redevelopment Agency of the City of Pittsburg

**MEETING DATE:** January 24, 2022

**EXECUTIVE SUMMARY**

The Successor Agency for the Redevelopment Agency of the City of Pittsburg (Pittsburg Successor Agency) has prepared its Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2022 – June 30, 2023 (ROPS 22-23), pursuant to AB 26x1, also referred to as the “Dissolution Act”.

**FISCAL IMPACT**

There is no fiscal impact to adopting ROPS 22-23. Rather, ROPS 22-23 identifies the Pittsburg Successor Agency’s anticipated financial obligations for July 1, 2022 – June 30, 2023. ROPS 22-23 will be reflected in the Pittsburg Successor Agency’s budget that will be considered along with the City of Pittsburg’s budget in June 2022 for Fiscal Year 2022-2023.

**RECOMMENDATION**

Staff recommends that the Countywide Oversight Board approve ROPS 22-23.

**BACKGROUND**

On June 29, 2011, the Governor signed into law the Dissolution Act, which automatically suspended redevelopment activities and on December 29, 2011, the California State Supreme Court upheld the provisions of the Dissolution Act, thereby dissolving all redevelopment agencies on February 1, 2012.

While redevelopment successor agencies may not initiate any new activities nor incur new indebtedness, they are nevertheless required under legislative statute and court order to continue making those payments necessary for day to day operations pursuant to

contractual commitments/enforceable obligations, regulatory authorities, and indebtedness entered into prior to the enactment of the Dissolution Act.

On June 27, 2012, the Governor signed into law budget trailer bill AB 1484. AB 1484 imposed new requirements on successor agencies with regard to the submittal of the ROPS.

Budget trailer bill SB 107 was approved and signed by the Governor and took immediate effect on September 22, 2015. The primary purpose of SB 107 is to make technical and substantive amendments to the existing Dissolution Act. Pursuant Section 34177, as amended, changed the review of ROPS from semi-annual to annual.

Pursuant to Health and Safety Code Section 34179 (j), on and after July 1, 2018 in each county where more than one oversight board was created, there shall be only one countywide oversight board. As of July 1, 2018, the California Department of Finance (DOF) will only recognize the Contra Costa County Oversight Board (Countywide Oversight Board). The Pittsburg Successor Agency's ROPS and other actions may not be submitted to the DOF without the Countywide Oversight Board's approval.

### **SUBCOMMITTEE FINDINGS**

This item was not presented to a subcommittee.

### **STAFF ANALYSIS**

ROPS 22-23 consists of debt service related expenses, administrative expenses, and other eligible enforceable obligation. Upon receiving Countywide Oversight Board approval, ROPS 22-23 will be submitted to the DOF, the County Auditor-Controller's Office, and the California State Controller's Office on or before February 1, 2022.

ATTACHMENTS: Recognized Obligation Payment Schedule for the period of July 1, 2022 – June 30, 2023

Report Prepared By: Maria M. Aliotti, Deputy City Manager  
Janielyn Bayona, Finance Division Manager

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Pittsburg

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 20,387</b>	<b>\$ 20,386</b>	<b>\$ 40,773</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	20,387	20,386	40,773
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 14,215,405</b>	<b>\$ 16,792,084</b>	<b>\$ 31,007,489</b>
F RPTTF	14,012,750	16,589,429	30,602,179
G Administrative RPTTF	202,655	202,655	405,310
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 14,235,792</b>	<b>\$ 16,812,470</b>	<b>\$ 31,048,262</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

Pittsburg

Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail  
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds	RPT
								\$817,583,145		\$31,048,262	\$-	\$-	\$20,387	\$14,012
2	TAB 1999	Bonds Issued On or Before 12/31/10	11/03/1999	09/01/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service (Interest & principal) 822-41272-2303/2304 (TAB 1999)	Los Medanos	628,840,000	N	\$-	-	-	-	
3	TAB 1999	Fees	11/03/1999	09/01/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service fiscal agent fees 822-41272-2318 (TAB 1999)	Los Medanos	10,159	N	\$1,000	-	-	500	
10	HSG TAB 06A	Bonds Issued On or Before 12/31/10	12/14/2006	09/01/2037	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite	debt service (Interest & Principal) 844-41284-2303/2304 (HSG 2006A)	Los Medanos	9,825,460	N	\$189,204	-	-	-	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)			RPT
											Bond Proceeds	Reserve Balance	Other Funds	
					3100 San Francisco, CA 94111									
27	Prefund August debt service of Senior & Housing Bonds (1999, 2014 & Housing Bonds)	Bonds Issued On or Before 12/31/10	11/03/1999	09/01/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	Prefund senior & housing bonds debt service to fiscal agent (1999, & 2014 TABS & 2016A Hsg & 2006A HSG bonds) Balance Calendar Yr 2018	Los Medanos	13,222,902	N	\$13,222,902	-	-	-	
62	utilities-gas	Property Maintenance 2018	07/01/2018	06/30/2019	PG&E	Successor Agency programs (properties owned) 801-41370-1391	Los Medanos	-	N	\$-	-	-	-	
63	utilities-electric	Property Maintenance 2018	07/01/2018	06/30/2019	PG&E	Successor Agency programs (properties owned) 801-41370-1392	Los Medanos	-	N	\$-	-	-	-	
68	maintenance & repairs	Property Maintenance 2018	07/01/2018	06/30/2019	TBD	Successor Agency programs (properties owned) 801-41370-2219	Los Medanos	5,000	N	\$5,000	-	-	2,500	
69	property tax	Property Maintenance 2018	07/01/2018	06/30/2019	Contra Costa Tax Assessor	Successor Agency programs (properties owned)	Los Medanos	13,757	N	\$13,757	-	-	6,879	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)			
											Fund Sources			
											Bond Proceeds	Reserve Balance	Other Funds	RPT
		Maintenance	2018		Pittsburg Water Dept.	Agency programs (properties owned) 801-41370-1394	Medanos							
105	2014 RDA Refunded Bonds	Refunding Bonds Issued After 6/27/12	07/01/2014	12/01/2029	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service (Interest & Principal) 833-41285-2303/04 (TAB 2014)	Los Medanos	18,616,875	N	\$444,625	-	-	-	
107	2014 RDA Refunded Bonds	Fees	06/25/2014	12/01/2029	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service fiscal agent fees/ PFM Investment 833-41280-2318 (TAB 2014)		21,342	N	\$2,400	-	-	1,200	
109	2014 RDA Refunded Bonds	Fees	06/25/2014	12/01/2029	BLX Group LLC Dept 34461 PO Box 39000 San Francisco, CA 94139	Payment for Disclose and Arbitrage calculation services	Los Medanos	32,012	N	\$3,600	-	-	1,800	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds	RPT
					Street, Suite 3100 San Francisco, CA 94111									
119	2016A RDA Refunding Bonds	Refunding Bonds Issued After 6/27/12	02/10/2016	12/31/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service (Interest & Principal) 834-41281-2303/2304 (2016A Refunding Bond)		138,334,500	N	\$16,581,375	-	-	-	14,012
121	2016C RDA Refunding Bonds	Refunding Bonds Issued After 6/27/12	02/10/2016	12/31/2022	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	debt service (Interest & Principal) 836-41270-2303/2304 (2016C Refunding Bond)		-	N	\$-	-	-	-	
122	HSG TAB 2016A Refunding Bonds	Fees	02/10/2016	12/31/2030	BLX Group LLC Dept 34461 PO Box 39000 San Francisco, CA 94139	Payment for Disclosure and Arbitrage calculation services 845-41278-2318		10,671	N	\$1,200	-	-	600	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds	RPT
					34461 PO Box 39000 San Francisco, CA 94139	calculation services 836-41270-2318								
126	HSG TAB 2016A Refunding Bonds	Fees	02/10/2016	12/31/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	Debt Service Fiscal Agent Fees 845-41278-2318		39,482	N	\$4,440	-	-	2,220	
127	2016A RDA Refunding Bonds	Fees	02/10/2016	12/31/2030	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	Debt Service Fiscal Agent Fees 834-41281-2318		8,892	N	\$1,000	-	-	500	
129	2016C RDA Refunding Bonds	Fees	02/10/2016	12/31/2022	Bank of New York Mellon Trust Company N.A. 100 Pine Street, Suite 3100 San Francisco, CA 94111	Debt Service Fiscal Agent Fees 836-41270-2318		-	N	\$-	-	-	-	

[illegible]

**Pittsburg**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
		Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
<b>ROPS 19-20 Cash Balances</b> <b>(07/01/19 - 06/30/20)</b>						
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/19)</b> RPTTF amount should exclude "A" period distribution amount.	1,418,573	12,457,464		1,500,745	
<b>2</b>	<b>Revenue/Income (Actual 06/30/20)</b> RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	80,727	417,711		722,766	33,803,210
<b>3</b>	<b>Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)</b>	30,005	136,262		605,306	33,799,849
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/20)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,469,295	12,738,913		1,205,579	3,361
<b>5</b>	<b>ROPS 19-20 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC	No entry required				
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/20)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$-	\$-	\$-	<b>\$412,626</b>	<b>\$-</b>

**Pittsburg**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
2	
3	
10	
11	
27	
62	
63	
68	Other Funds
69	Other Funds
71	
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## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Pleasant Hill ROPS  
AGENDA ITEM: C.12

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### **Recommendation(s)**

**ADOPT** Resolution 2022/34 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Pleasant Hill** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/34  
Pleasant Hill Staff Report  
Pleasant Hill ROPS Summary.

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/34**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET OF THE CITY OF PLEASANT HILL REDEVELOPMENT SUCCESSOR AGENCY FOR THE PERIOD JULY 1, 2022, THROUGH JUNE 30, 2023.**

**WHEREAS**, the Contra Costa Countywide Oversight Board ("Oversight Board") has been established to direct the Successor Agency to the Pleasant Hill Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26, 471 and 1484 and Senate Bill 107, as codified in the California Health and Safety Code); and

**WHEREAS**, Section 34179 of the Dissolution Act provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, Section 34177(o) of the State Health and Safety Code ("HSC") requires the Successor Agency to the Pleasant Hill Redevelopment Agency ("Successor Agency") to submit to the Oversight Board for approval a Recognized Obligation Payment Schedule ("ROPS"); and

**WHEREAS**, in order for the ROPS to be deemed valid, and therefore eligible for payment, it must be approved by the Oversight Board and a copy of the approved ROPS must be submitted to the Contra Costa County Auditor-Controller ("CAC"), the State Controller's Office, and Department of Finance ("DOF"), and posted on the Successor Agency's website; and

**WHEREAS**, Successor Agency staff has prepared the attached ROPS 22-23 for the period of July 1, 2022, through June 30, 2023, (Exhibit "A") and submitted it to the Oversight Board for review and approval; and

**WHEREAS**, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and

**WHEREAS**, the Successor Agency's proposed Fiscal Year 2022-23 Administrative Budget for the period July 1, 2022, to June 30, 2023, attached hereto as Exhibit B, has been reviewed and by this Resolution the Oversight Board desires to approve such Administrative Budget; and

**WHEREAS**, the Administrative Budget, when and as approved by the Oversight Board, will be provided to the County of Contra Costa Auditor-Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budget will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund.

**NOW, THEREFORE, THE COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY DOES HEREBY RESOLVE AS FOLLOWS:**

1. The ROPS for July 1, 2022, through June 30, 2023, in the form attached to this resolution as Exhibit "A" and incorporated herein by reference, is hereby approved.
2. The staff of the Successor Agency is hereby directed to submit the ROPS 22-23 to the CAC, the State Controller's Office, and DOF, post it on the Successor Agency's website in accordance with HSC Section 34177(1)(2)(C), and to cooperate with DOF to

the extent necessary to obtain DOF's acceptance of the ROPS, including, if necessary, making modifications to the ROPS determined by the Executive Director of the Redevelopment Successor Agency to be reasonable and financially feasible to meet its legally required financial obligations.

3. The Oversight Board hereby approves the Fiscal Year 2022-23 Administrative Budget for the period July 1, 2022, to June 30, 2023, submitted herewith as Exhibit B, which is incorporated herein by this reference.

4. Successor Agency staff is hereby authorized to send the Administrative Budget to the Contra Costa County Auditor-Controller and post it on the Successor Agency's website.

5. The Oversight Board Secretary shall certify to the adoption of this Resolution.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Pleasant Hill - Suzy Kim, Pleasant Hill - Danielle Habr, Maureen Toms, DCD

**PLEASANT HILL REDEVELOPMENT  
SUCCESSOR AGENCY STAFF REPORT  
TO THE COUNTYWIDE OVERSIGHT BOARD  
CONTRA COSTA COUNTY**

**Meeting Date: January 24, 2022**

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**TO: COUNTYWIDE OVERSIGHT BOARD MEMBERS**

**SUBJECT: PLEASANT HILL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET FOR JULY 1, 2022 THROUGH JUNE 30, 2023**

**SYNOPSIS**

The City of Pleasant Hill Redevelopment Successor Agency (Successor Agency) is required to prepare a Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for each twelve-month fiscal period. The documents must be submitted to and approved by the Countywide Oversight Board of Contra Costa County (Oversight Board) and the California Department of Finance (DOF). Approval of the ROPS is required to receive property tax increment revenues to pay down approved enforceable obligations and administrative costs. The Successor Agency requests the Oversight Board's adoption of the attached resolution approving the ROPS and Administrative Budget for the period of July 1, 2022 through June 30, 2023.

**DISCUSSION**

**Recognized Obligation Payment Schedule**

Summary

The Successor Agency estimates that its costs for July 2022 through June 2023 will total \$2,900,209 of which \$2,650,209 would be paid against its enforceable obligations and \$250,000 would be for administrative costs. All obligations are requested to be paid with RPTTF revenues.

ROPS Detail

Items 2 through 7 are obligations that must be paid according to set debt service schedules or developer reimbursement agreements entered by the former Agency. The Successor Agency is requesting \$2,070,374 in total for these items.

## RESOLUTION APPROVING ROPS 22-23

January 24, 2022

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Item 13 relates to required deposits into the former Agency's Low- and Moderate-Income Housing Fund that the former Agency deferred to finance other Agency priorities. The former Agency deferred a total of \$1,161,749 in Housing Set-Aside deposits between FYs 1985-86 and 1991-92. A total of \$522,792 was repaid between FYs 2002-03 and 2003-04, leaving a remaining balance of \$638,957 at June 30, 2011. The Dissolution Act permits the deferred deposits to be placed on the ROPS as an enforceable obligation to deposit repayments into the Housing Asset Fund. The ROPS 21-22 made a \$66,122 payment toward this obligation. The ROPS 22-23 requests the remaining balance owed of \$572,835.

The Dissolution Act sets a maximum annual repayment amount for Item 13 based on the amount of Residual RPTTF distributed in the prior fiscal year. The maximum repayment calculation for fiscal year 2022-23 is an estimated \$727,959:

$$\$1,701,026 - \$245,109 = \$1,455,917 / 2 = \$727,959$$

The \$572,835 requested for Item 13 is less than the \$727,959 maximum. The former local Oversight Board to the Pleasant Hill Successor Agency and DOF approved the repayment of the housing loan via Resolution No. 18-26.

Item 24 is the Administrative Allowance that the Successor Agency is entitled to claim to support its wind-down activities. The Successor Agency is requesting \$250,000 for the ROPS 21-22.

Items 26 through 29 are required bond trustee and disclosure payments related to ROPS items 1 and 2, the Tax Allocation Refunding Bonds and the Downtown CFD #1 Bonds. The Successor Agency is requesting a total of \$7,000 for these items on the ROPS 21-22.

Items 1, 10, and 25 were paid off in the ROPS 21-22 period and have been marked as retired.

### Report of Cash Balances

The Report of Cash Balances identifies any cash balances of the Successor Agency remaining from prior fiscal years.

Column C reports bond reserve funds for the Tax Allocation Refunding Bonds, which are not available to fund enforceable obligations.

Column F reports "Other Funds" revenues of \$60,211 in the ROPS 19-20 period, which it earned through interest income and loan repayments.

Column G reports that all RPTTF received for the ROPS 19-20 period was spent except for a \$122,374 Prior Period Adjustment. The final Prior Period Adjustment amount is pending County Auditor-Controller review and will be adjusted if necessary during DOF's review of the ROPS.

**Administrative Budget**

The Dissolution Act provides that the Successor Agency is allowed an annual Administrative Budget of up to \$250,000. An Administrative Budget for the twelve-month period is attached as Exhibit B to the accompanying resolution.

**FISCAL IMPACT**

Approval of the ROPS is required to pay fiscal year 2022-23 Successor Agency enforceable obligations totaling an estimated \$2.9 million.

**RECOMMENDED BOARD ACTION**

Successor Agency staff recommends that the Oversight Board adopt resolutions approving the ROPS and corresponding Administrative Budget of the Pleasant Hill Redevelopment Successor Agency for July 1, 2022 through June 30, 2023.

**ALTERNATIVES TO RECOMMENDED ACTION**

Alternatives include not approving the proposed ROPS or revising the identified line items or funding amounts.

Prepared by: Danielle Habr, Principal Management Analyst/City Clerk

Attachments: Proposed Resolution of the Countywide Oversight Board of Contra Costa County Approving the Recognized Obligation Payment Schedule and Administrative Budget of the City of Pleasant Hill Redevelopment Successor Agency for the Period July 1, 2022 through June 30, 2023

Exhibit A      Pleasant Hill Redevelopment Successor Agency Recognized  
Obligation Payment Schedule July 1, 2022 through June 30, 2023  
(ROPS 22-23)

Exhibit B      Pleasant Hill Redevelopment Successor Agency Administrative  
Budget July 1, 2022 through June 30, 2023

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Pleasant Hill

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 2,019,804</b>	<b>\$ 880,405</b>	<b>\$ 2,900,209</b>
F RPTTF	1,894,804	755,405	2,650,209
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,019,804</b>	<b>\$ 880,405</b>	<b>\$ 2,900,209</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

Pleasant Hill

Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS  
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
								\$39,498,832
1	Pleasant Hill RDA Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	09/01/2002	09/01/2021	Union Bank	Bonds for Agency Operations	Commons	-
2	Pleasant Hill Downtown CFD#1 Bonds	Bonds Issued After 12/31/10	09/19/1991	09/01/2032	US Bank Trust	Bonds for Downtown Infrastructure, Paid Pursuant to Downtown DDA	Commons	5,031,028
3	Downtown Pleasant Hill	OPA/DDA/ Construction	11/01/2010	07/01/2032	DPH Noteholder, LLC	Tax Increment Reimbursement	Commons	6,350,000
4	Kohl's @ Crossroads Shopping Center	OPA/DDA/ Construction	10/19/2004	12/01/2031	Beaufort Partners, LP	Tax Increment Reimbursement	Commons	1,600,000
5	Friedmans @ Crossroads Shopping Center	OPA/DDA/ Construction	05/21/2007	12/01/2045	PH Holdings LP	Tax Increment Reimbursement	Commons	21,006,469
7	Grayson Creek Apartments	OPA/DDA/ Construction	07/29/1998	07/01/2032	Bridge Housing Corp.	Loan/Grant Pymt for Grayson Creek Apts.	Commons	1,880,000
10	L/M Hsg Loan for 2009-10 SERAF	SERAF/ERAF	05/17/2010	06/01/2017	PH Housing SA	Repayment for 2009-10 SERAF Loan	Commons + Schyd	-
13	Payment of Housing Set-aside Deferral	LMIHF Loans	07/01/1991	07/01/2023	PH Housing SA	Payment of Deferred Hsg Set Aside Obligation	Commons + Schyd	572,835
24	Administrative Allowance	Admin Costs	01/01/2014	12/01/2045	Successor Agency	Administrative Cost Allowance	Commons + Schyd	3,000,000
25	TARB Trustee Fee	Fees	09/01/2002	09/01/2021	Union Bank	Bond Trustee Fees	Commons	-
26	TARB Disbursement Fee	Fees	09/01/2004	09/01/2024	NBC	Bond Disbursement Fee	Commons	2,500

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
	Allowance ROPS 18-19					in ROPS 18-19 period		

**Pleasant Hill**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.						
A	B	C	D	E	F	G
		Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
	<b>ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</b>					
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/19)</b> RPTTF amount should exclude "A" period distribution amount.	657,779			66,825	18,465
<b>2</b>	<b>Revenue/Income (Actual 06/30/20)</b> RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				60,211	4,249,807
<b>3</b>	<b>Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)</b>				11,115	4,145,898
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/20)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	657,779			77,759	F: Other
<b>5</b>	<b>ROPS 19-20 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		122,374



**Pleasant Hill  
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes  
July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
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## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Richmond ROPS  
AGENDA ITEM: C.13

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### **Recommendation(s)**

**ADOPT** Resolution 2022/14 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **Richmond** Community Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/14  
Richmond Staff Report  
Richmond ROPS Summary A  
Richmond ROPS Summary B

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/14**

**A RESOLUTION OF THE CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE RICHMOND COMMUNITY SUCCESSOR AGENCY FOR THE PERIOD JULY 1, 2022, THROUGH JUNE 30, 2023, (ROPS 22-23), PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34177 AND 34171.**

**WHEREAS**, pursuant to Health and Safety Code Section 34173, the City of Richmond created the Successor Agency to the Richmond Community Redevelopment Agency ("Successor Agency") by Resolution No. 4-12 on January 24, 2012; and

**WHEREAS**, Health and Safety Code Section 34177(o) requires the Successor Agency to prepare a draft recognized obligation payment schedule ("ROPS"), before each annual fiscal period, forward looking to the next twelve months; and

**WHEREAS**, Health and Safety Code Section 34177(l)(2)(b) requires the Successor Agency to submit the ROPS to the Contra Costa Countywide Oversight Board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Contra Costa County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

**WHEREAS**, Health and Safety Code Sections 34171(a), (b) and 34177 (j) require the Successor Agency to prepare and submit a separate Administrative Budget covering the same period as each ROPS to the Contra Costa Countywide Oversight Board for its approval; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred; and

**WHEREAS**, by the Agenda Report accompanying this Resolution, the Contra Costa Countywide Oversight Board has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

**NOW, THEREFORE, THE CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:**

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

**Section 2. CEQA Compliance.** The approval of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

**Section 3. Approval of Initial Draft of the ROPS.** The Contra Costa Countywide Oversight Board hereby approves and adopts the ROPS for the period July 1, 2022, through June 30, 2023, (ROPS 22-23), in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

**Section 4. Approval of Administrative Budget.** The Contra Costa Countywide Oversight Board hereby approves and adopts the Administrative Budget for the period July 1, 2022, through June 30, 2023, in substantially the form attached to this Resolution as Exhibit B, as required by Health and Safety Code Sections 34171(a), (b), and 34177(j).

**Section 5. Transmittal of Initial Draft of the ROPS and Administrative Budget.** The City Manager or his designee is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS, including submitting the ROPS to the Successor Agency's Countywide Oversight Board for approval, and submission of the Approved ROPS to the Contra Costa County Auditor-Controller, the California State Controller, and the State

of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

**Section 6. Effectiveness.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Maureen Toms,  
Oversight Board Secretary

**Contact:**

**cc:** Richmond - Alan Wolken, Maureen Toms, DCD



## CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD REPORT

**DATE:** January 24, 2022

**TO:** CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD

**FROM:** THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY

**SUBJECT:** APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 22-23) AND THE ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 34177(o), AND 34171(a),(b), AND 34177(j), REPECTIVELY.

### STATEMENT OF THE ISSUE:

The Contra Costa Countywide Oversight Board is required to approve a Recognized Obligation Payment Schedule ("ROPS") and an administrative budget annually pursuant to California Health and Safety Code Sections 34177(o) and 34171(a),(b), and 34177(j), respectively.

### RECOMMENDED ACTION:

. ADOPT a resolution approving the Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule and an administrative budget for the period July 1, 2022 through June 30, 2023 ("ROPS 22-23") pursuant to California Health and Safety Code Sections 34177(o) and 34171(a),(b), and 34177(j), respectively.

### FINANCIAL IMPACT OF RECOMMENDATION:

Adoption of the Recognized Obligation Payment Schedule including the administrative budget is a necessary action for the Successor Agency to expend former Richmond Community Redevelopment Agency funds on certain financial obligations of the Agency. Residual tax revenues not obligated on ROPS 22-23 are distributed to local taxing entities.

## DISCUSSION:

### *Background*

ABx1 26 ("Dissolution Act") suspended all new redevelopment activities and incurrence of indebtedness by terminating virtually all otherwise legal functions of redevelopment agencies and mandating a liquidation of any assets for the benefit of local taxing agencies. Some debts are allowed to be repaid, but any such remittances are to be managed by a successor agency that functions primarily as a debt repayment administrator. The successor agency cannot initiate any new redevelopment projects or programs. The activities of the successor agency are overseen by a countywide oversight board, comprised primarily of representatives of other taxing agencies throughout the county, until such time as the remaining debts of the former redevelopment agency are paid off, all former agency assets are liquidated, and all property taxes redirected to local taxing agencies.

Under the Dissolution Act, the portion of property tax revenues collected in the Redevelopment Agency ("RDA") Project Areas, which were considered Tax Increment prior to RDA dissolution, are now called Redevelopment Property Tax and are deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund ("RPTTF"). The County Auditor-Controller distributes the funds in the RPTTF with the following priority:

1. County Auditor-Controller's administrative costs;
2. Pass-through payments to the taxing entities affected by the Redevelopment Plan for the Project Area, calculated the same as prior to RDA dissolution;
3. Distribution to the Successor Agency to retire the former RDA's obligations; and
4. Distribution of residual funds to taxing entities.

A budget trailer bill drafted by the State Department of Finance ("DOF") purportedly to "clean up" certain conflicting and confusing provisions of ABx1 26 was signed by Governor Jerry Brown on June 27, 2012. This bill, AB 1484, made several substantive changes to ABx1 26 including a provision that successor agencies that do not submit an approved Recognized Obligation Payment Schedule ("ROPS") by the statutory deadlines will be assessed a \$10,000 per day penalty for lateness.

On September 22, 2015, Governor Jerry Brown signed SB 107, which made several significant changes to the redevelopment dissolution process, including modification of the ROPS submittal cycle from six month to 12 month intervals.

Under Health and Safety Code Section 34177(o), a ROPS must be prepared and submitted on February 1st of every year and list all of the "enforceable obligations" of the former agency. The ROPS is subject to approval by the Countywide Oversight Board and DOF before the County Auditor-Controller disburses funding for payments on the approved ROPS. "Enforceable obligations" include: bond payments; loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government; preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of

the successor agency, including agreements to purchase or rent office space, equipment and supplies.

After submittal, DOF has until April 15th to review the ROPS and approve or disapprove of any items. The Successor Agency can request additional review by DOF and an opportunity to meet and confer on disputed items. The Successor Agency must make a request within five business days of receiving a DOF determination. DOF is required to notify the Successor Agency and County Auditor-Controller of its final determination of the approved payments at least 15 days prior to the first distribution date of RPTTF for the ROPS, which is June 1st. RPTTF is distributed twice annually, on June 1st and January 2nd of each year. The annual ROPS can be amended once per year as long as the amendment is received by DOF before October 1<sup>st</sup> of the applicable fiscal year.

### *Summary*

### **Recognized Obligation Payment Schedule (ROPS 22-23)**

ROPS 22-23 is Exhibit A to the attached Successor Agency resolution. It includes: 1) A summary of the funding request; 2) An itemized listing of obligations ("ROPS Detail"); and 3) A report of cash balances. This ROPS covers payments due during the period of July 1, 2022 through June 30, 2023.

The following is a summary of ROPS 22-23 Obligations submitted for approval.

<b>ROPS Obligation Summary</b>			
	<b>Paid from</b>	<b>Paid from</b>	
	<b><u>Tax Revenues</u></b>	<b><u>Reserves and Other Sources</u></b>	<b><u>Total</u></b>
Debt Service	\$ 8,533,871	\$ 7,836,344	\$ 16,370,216
Capital Projects	-	3,280,000	3,280,000
Project Management	80,000	-	80,000
Administration	309,950	-	309,950
	<u>\$ 8,923,822</u>	<u>\$ 11,116,344</u>	<u>\$ 20,040,166</u>

### **Successor Agency Administrative Budget July 1, 2022 through June 30, 2023**

Pursuant to Health and Safety Code Sections 34171(a), (b), and 34177(j), the Successor Agency must prepare a budget for administrative expenses each fiscal year ("Administrative Budget"). In accordance with the Dissolution Act, the Successor Agency's RPTTF administrative cost allowance cap is the greater of 3% of the prior year RPTTF distribution or \$250,000 annually. For the period July 1, 2022 through June 30, 2023, the RPTTF administrative cost allowance cap is \$309,950.

**SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY  
REDEVELOPMENT AGENCY**

**ADMINISTRATIVE BUDGET  
Fiscal Year 2022-2023**

**Revenue Summary**

RPTTF Administrative Allowance	\$	309,950
	<u>\$</u>	<u><b>309,950</b></u>

**Expenditure Summary**

Salary and Benefits	\$	185,250
Professional and Administrative Expenses	\$	58,000
Other Operating Expenses	\$	16,700
City Cost Allocation Plan	\$	50,000
	<u>\$</u>	<u><b>309,950</b></u>

Upon receiving the Oversight Board's approval, staff will submit ROPS 23-23 to the County Auditor-Controller, the State Controller, and the DOF. The approved ROPS 22-23 is required to be submitted to DOF by February 1, 2022 to avoid daily penalties.

**DOCUMENTS ATTACHED:**

Attachment 1 – Resolution

Attachment 2 – Exhibit A to Resolution (ROPS 22-23)

Attachment 3 – Exhibit B to Resolution (Administrative Budget)

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Richmond

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 9,392,023</b>	<b>\$ 1,724,321</b>	<b>\$ 11,116,344</b>
B Bond Proceeds	-	-	-
C Reserve Balance	7,480,917	66,821	7,547,738
D Other Funds	1,911,106	1,657,500	3,568,606
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 2,123,132</b>	<b>\$ 6,800,690</b>	<b>\$ 8,923,822</b>
F RPTTF	1,813,182	6,800,690	8,613,872
G Administrative RPTTF	309,950	-	309,950
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 11,515,155</b>	<b>\$ 8,525,011</b>	<b>\$ 20,040,166</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Richmond**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Data**  
**July 1, 2022 through June 30, 2023**

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 22-23 Total	L ROPS 22-23A (Jul - Dec)		
											Bond Proceeds	Reserve Balance	Other Funds
								\$68,454,012		\$20,040,166	\$-	\$7,480,917	\$1,911,106
1	1998 Tax Allocation Refunding Bond	Bonds Issued On or Before 12/31/10	02/01/1998	07/01/2023	US Bank	Refinance a portion of 1991 TARB; fund capital improvement projects	Merged Project Area	2,300,000	N	\$1,150,000	-	1,150,000	-
4	2003B Tax Allocation Revenue Bond	Bonds Issued On or Before 12/31/10	08/01/2003	09/01/2025	Union Bank	Fund capital improvement projects	Merged Project Area	5,874,660	N	\$2,254,030	-	1,046,595	-
5	2004A Tax Allocation Revenue Bond (2/3)	Bonds Issued On or Before 12/31/10	10/01/2004	09/01/2026	Union Bank	Fund capital improvement projects	Merged Project Area	6,469,099	N	\$1,367,680	-	640,395	-
6	Section 108 Loan	Bonds Issued On or Before 12/31/10	11/22/2004	08/01/2025	HUD	Finance costs related to the Ford Assembly Building Project	Merged Project Area	915,299	N	\$237,060	-	-	-
7	2010A Tax Allocation Refunding Bond	Bonds Issued On or Before 12/31/10	04/01/2010	09/01/2036	Union Bank	Refund all outstanding 2007A Bonds	Merged Project Area	-	Y	\$-	-	-	-
11	2004A Tax Allocation Revenue Bond (1/3 Housing)	Bonds Issued On or Before 12/31/10	10/01/2004	09/01/2026	Union Bank	Fund low/moderate income housing projects	Merged Project Area	3,234,549	N	\$744,405	-	320,197	-
12	2004B Tax Allocation Revenue Bond	Bonds Issued On or Before 12/31/10	10/01/2004	09/01/2026	Union Bank	Fund low/moderate income housing projects	Merged Project Area	-	Y	\$-	-	-	-

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds
	Appreciation Bond (Housing)					housing activities							
16	Employee Costs	Project Management Costs	07/01/2022	06/30/2023	Employees of Agency	Project Managers, Accountants, Analysts, Attorney	Merged Project Area	80,000	N	\$80,000	-	-	-
56	Metrowalk Phase II (Housing)	OPA/DDA/ Construction	04/11/2002	06/30/2024	Various	Developer agreement	Merged Project Area	-	N	\$-	-	-	-
62	Miraflores Project - Remediation	Remediation	01/15/2011	06/30/2023	PES Environmental	Remediation Costs	Merged Project Area	100,000	N	\$100,000	-	-	50,000
66	Miraflores Project - Remediation	Remediation	06/01/2011	06/30/2022	Department of Toxic Substance Control	Remediation Costs	Merged Project Area	80,000	N	\$80,000	-	-	40,000
68	Miraflores Project (Housing)	Improvement/ Infrastructure	10/18/2010	06/30/2023	Various	80 units Sr Housing, 190 units market rate housing, historical resources preservation	Merged Project Area	3,000,000	N	\$3,000,000	-	-	1,500,000
113	Terminal One Project - Litigation Settlement	Litigation	09/28/2005	06/30/2023	Various	Remediation costs funded by litigation settlement payments	Merged Project Area	100,000	N	\$100,000	-	-	50,000
115	Admin allowance	Admin Costs	07/01/2022	06/30/2023	Various	Administrative costs	Merged Project Area	309,950	N	\$309,950	-	-	-
121	2014 A Refunding Bonds - Tax Exempt	Bonds Issued On or Before 12/31/10	04/11/2014	09/01/2025	Trustee	Refinance outstanding bonds	Merged Project Area	9,433,500	N	\$4,630,250	-	2,211,750	-

**Richmond**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources				
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.	8,621,678	70,854	11,020,467	11,316,871	3,120,595
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	61,467	1,394	236,064	759,461	10,623,055
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)	100,465	72,248	10,525,262	1,015,526	3,470,666
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	8,582,680		731,269	10,592,200	9,689,385
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		583,599
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$468,606	\$-

**Richmond**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
1	
4	
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7	Refunded by 2021A and B Bonds
11	
12	Refunded by 2021A Bond
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**SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY  
REDEVELOPMENT AGENCY**

**ADMINISTRATIVE BUDGET**

**Fiscal Year 2022-2023**

**Revenue Summary**

RPTTF Administrative Allowance	\$	309,950
	<u>\$</u>	<u>309,950</u>

**Expenditure Summary**

Salary and Benefits	\$	185,250
Professional and Administrative Expenses	\$	58,000
Other Operating Expenses	\$	16,700
City Cost Allocation Plan	\$	50,000
	<u>\$</u>	<u>309,950</u>



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: San Pablo ROPS  
AGENDA ITEM: C.14

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### **Recommendation(s)**

**ADOPT** Resolution 2022/21 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) and Administrative Budget for the **San Pablo** Local Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/21  
San Pablo Staff Report  
San Pablo ROPS Summary

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## RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD

### FOR THE COUNTY OF CONTRA COSTA

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/21**

#### **RESOLUTION OF THE CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD APPROVING AN ADMINISTRATIVE BUDGET AND THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2022-23 ("ROPS 22-23") FOR THE SAN PABLO LOCAL SUCCESSOR AGENCY.**

**WHEREAS**, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 et seq.; (the "Dissolution Act"), all redevelopment agencies in the State of California, including the former Redevelopment Agency of the City of San Pablo (the "Redevelopment Agency"), were dissolved as of February 1, 2012;

**WHEREAS**, pursuant to the Dissolution Act, the City of San Pablo (the "City") became the local successor agency (the "San Pablo LSA") to the former Redevelopment Agency and, by operation of law under Section 34175(b) of the Dissolution Act, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency (the "redevelopment assets") were transferred to the San Pablo LSA, on February 1, 2012;

**WHEREAS**, Section 34177(j) of the Dissolution Act requires the San Pablo LSA to prepare a proposed administrative budget for the upcoming fiscal year for submittal to the Contra Costa Countywide Oversight Board (the "Oversight Board") for its approval;

**WHEREAS**, Section 34177(o) of the Dissolution Act requires the San Pablo LSA to prepare a Recognized Obligation Payment Schedule ("ROPS") for each fiscal year, which lists the outstanding obligations of the former Redevelopment Agency, states the amounts required to be paid and the source of funds for the payments;

**WHEREAS**, the San Pablo LSA has prepared an administrative budget and a ROPS for Fiscal Year 2022-23 ("ROPS 22-23");

**WHEREAS**, pursuant to Section 34180(g) of the Dissolution Act, the Oversight Board must approve ROPS 22-23; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(o), the Oversight Board-approved ROPS 22-23 must be submitted by the San Pablo LSA to the State Department of Finance and the County Auditor-Controller no later than February 1, 2022.

**NOW, THEREFORE**, the Countywide Oversight Board for the County of Contra Costa does hereby resolve as follows:

**Section 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein.

**Section 2. Approval of San Pablo LSA Administrative Budget.** The Contra Costa Countywide Oversight Board hereby approves the administrative budget for the San Pablo Local Successor Agency in the amount of \$250,000 for Fiscal Year 2022-23, in the form attached to this resolution.

**Section 3. Approval of ROPS for Fiscal Year 2022-23.** The Contra Costa Countywide Oversight Board hereby approves the ROPS for Fiscal Year 2022-23, designated "ROPS 22-23," in the forms attached to this resolution.

**Section 4. Posting and Transmittal.** The Contra Costa Countywide Oversight Board hereby authorizes and directs the San Pablo Local Successor Agency to transmit ROPS 22-23 to the Contra Costa County Chief Administrative Officer, Contra Costa County Auditor-Controller, and the State Department of Finance.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** San Pablo - Kelly Sessions, Maureen Toms, DCD, San Pablo - Charles Ching, San Pablo - June Du , San Pablo - C. Nicole Murphy



DATE: JANUARY 24, 2022  
TO: CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD  
FROM: SAN PABLO LOCAL SUCCESSOR AGENCY  
SUBJECT: RESOLUTION OF THE CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD APPROVING AN ADMINISTRATIVE BUDGET AND THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2022-23 (“ROPS 22-23”) FOR THE SAN PABLO LOCAL SUCCESSOR AGENCY

#### RECOMMENDATION

Adopt resolution approving an Administrative Budget and the Recognized Obligation Payment Schedule (“ROPS”) for the San Pablo Successor Agency for Fiscal Year 2022-2023.

#### BACKGROUND

The San Pablo Local Successor Agency (“LSA”) is responsible for winding down the activities of the former Redevelopment Agency of the City of San Pablo (the “former Redevelopment Agency”) pursuant to the requirements of Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 et seq.; the “Dissolution Act”).

Section 34177(o) of the Dissolution Act requires the LSA to adopt an annual ROPS each fiscal year, which is then presented to the Countywide Oversight Board. The ROPS functions as the LSA’s claim for tax increment funds and general authorization to pay enforceable obligations. The ROPS lists the outstanding obligations of the former Redevelopment Agency and the funding source for each obligation. The LSA is only authorized to pay obligations listed on the ROPS and will only be allocated tax increment funds by the County Auditor-Controller for those listed obligations. Obligations that will be funded by other sources, such as existing fund balances, must also be listed on the ROPS.

The San Pablo LSA’s ROPS 22-23 is attached to the resolution accompanying this staff report.

#### Administrative Cost Allowance and Administrative Budget

Pursuant to Section 34171(b), the LSA is to receive an administrative cost allowance (“ACA”) for the staff costs to administer the wind down of the former Redevelopment Agency. These costs include staff time in preparing for and attending Countywide Oversight Board meetings and staff costs related to preparing reports and documents required by the Dissolution Act. The

ACA is the greater of \$250,000 or 3% of the property tax revenues allocated to the LSA in the preceding fiscal year to pay approved enforceable obligations (after first deducting from said allocated property tax revenues the amount of the LSA's ACA for the preceding fiscal year and any loan repayments to the City during said preceding fiscal year).

Each ROPS should include the amount of the ACA for the LSA. In addition, Section 34177(j) of the Dissolution Act requires the LSA to prepare an administrative budget for each six-month fiscal period, and to submit the budget to the Countywide Oversight Board for its approval. The budget shall include:

- Estimated amounts for LSA administrative costs;
- Proposed sources of payment for the LSA administrative costs; and
- Proposals for arrangements for administrative and operations services provided by a city or other entity.

The LSA's ACA for ROPS 22-23 will be \$250,000, which is the minimum amount. These funds will be the sole source of payment for the LSA's administrative costs. City staff serves as the staff for the LSA.

The proposed administrative budget for the San Pablo LSA is attached to the resolution for this item and covers all of Fiscal Year 2022-23. It shows the estimated breakdown of the ACA for staff and consultant costs.

#### City/LSA Loan and Repayment Agreement

Section 34173(h) of the Dissolution Act provides that the City of San Pablo (the "City") may loan funds to the LSA for administrative costs, enforceable obligations, or project-related expenses, subject to approval of the Countywide Oversight Board, and that an enforceable obligation shall be deemed to be created for the repayment of those loans. In August 2012, the City and LSA entered into a general Loan and Repayment Agreement ("Agreement") to provide a formal mechanism for loans by the City to the LSA and repayment by the LSA to the City.

Under the Agreement, the City agreed to loan funds to the LSA in any ROPS period up to the portion of the LSA's ACA that is not paid to the LSA from the Redevelopment Property Tax Trust Fund ("RPTTF"), with interest to be charged at the annual rate provided for the California State Treasurer's Local Agency Investment Fund ("LAIF") on the date of the respective loan. The City may also loan, to the extent that City funds are available, amounts necessary to pay any enforceable obligations listed on the ROPS that will not be funded from the RPTTF revenues available for that ROPS period.

It had been necessary for the City to advance funds to pay the Enforceable Obligations of the LSA over a number of fiscal years and thus the City and LSA entered into a more specific Loan and Repayment Agreement on November 5, 2020, pursuant to City Resolution No. 2020-138 and LSA Resolution LSA2020-004. This 2020 Loan and Repayment Agreement was approved by the County Oversight Board on November 9, 2020 pursuant to County Oversight Board resolution 2020-32.

On December 9, 2020, the LSA received a determination letter from the State Department of Finance (DOF) confirming this newly recognized loan of up to \$2.1 million for enforceable obligations and that amount was paid during the 2020-21 fiscal year as part of the ROPS first installment for fiscal year 2021-22.

As part of the ROPS 22-23, the LSA is continuing to pursue an additional claim for reimbursement to the City of approximately \$1.996 million for enforceable obligations that were paid using loaned City General Funds during FY2017 - FY2020.

#### ROPS Approval Procedure

Following the Countywide Oversight Board's approval of a ROPS, the LSA must submit the ROPS to the County Auditor-Controller, the State Controller and the State Department of Finance ("DOF"), and post it on the LSA's website.

Section 34177(o) states that the LSA must submit a ROPS to DOF, after approval by the Countywide Oversight Board, no later than February 1, 2022.

DOF shall make its determinations regarding the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2022. Section 34177(o) provides for a meet and confer period if the LSA disputes the DOF's determinations.

Section 34177(o) also provides for significant penalties if a ROPS is submitted late. The City of San Pablo could be subject to a civil penalty of \$10,000 per day for each day a ROPS is not submitted to the DOF, and if a ROPS is not submitted within 10 days of the deadline, the maximum ACA of the LSA for the ROPS period could be reduced by 25%.

#### FISCAL IMPACT

The approval of ROPS 22-23 by the Countywide Oversight Board is part of the procedure of adopting a valid ROPS for Fiscal Year 2022-23 pursuant to Section 34177(o), and obtaining the funds to make payments on obligations listed on that ROPS. The approval of the LSA's administrative budget provides the supporting detail for the LSA's claim for ACA funding for ROPS 22-23



**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** San Pablo

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 2,958,683</b>	<b>\$ 5,645,400</b>	<b>\$ 8,604,083</b>
F RPTTF	2,833,683	5,520,400	8,354,083
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,958,683</b>	<b>\$ 5,645,400</b>	<b>\$ 8,604,083</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

San Pablo

Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Debt  
July 1, 2022 through June 30, 2023

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 22-23 Total	L ROPS 22-23A (Jul - Dec)			
											M Fund Sources			
											Bond Proceeds	Reserve Balance	Other Funds	RPT
								\$46,596,083		\$8,604,083	\$-	\$-	\$-	\$2,833
20	Trustee Fees	Fees	06/10/1999	12/01/2032	Wells Fargo Bank	Trustee for RDA Bonds	Tenth TWP/ Legacy	120,000	N	\$12,000	-	-	-	-
29	Administrative Fees	Admin Costs	07/01/2017	06/30/2018	LSA	3% of total or \$250,000 per fiscal year	Tenth TWP/ Legacy	250,000	N	\$250,000	-	-	-	-
36	Property Maintenance Costs	Property Maintenance	07/01/2017	06/30/2018	City of San Pablo	Property tax, Landscaping, utilities, property insurance, repairs of LSA property	Tenth TWP/ Legacy	5,000	N	\$5,000	-	-	-	-
38	2014 Tax Allocation Refunding Bonds / Series 2014A	Refunding Bonds Issued After 6/27/12	06/02/2014	06/15/2031	Wells Fargo Bank	Refunding Bonds / Interest Payment	Merged	38,450,750	N	\$4,266,750	-	-	-	768
39	2014 Tax Allocation Refunding Bonds / Series 2014B	Refunding Bonds Issued After 6/27/12	09/04/2014	06/15/2023	Wells Fargo Bank	Refunding Bonds / Interest Payment	Merged	2,042,250	N	\$2,042,250	-	-	-	48
45	JPFA / 2016 Tax Allocation Bond / CAB's	Refunding Bonds Issued After 6/27/12	11/01/2016	06/15/2029	Wells Fargo Bank	Non-Housing Projects		3,700,000	N	\$-	-	-	-	-
46	Property Disposition	Property Dispositions	07/01/2017	06/30/2018	City of San Pablo	Appraisal, signs,		-	N	\$-	-	-	-	-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds	RPT
ROPS 22-23A (Jul - I)														
Fund Sources														
						issues								
49	Audit Services	Fees	07/01/2019	06/30/2022	Maze & Associates	Successor Agency Statement & disclosures in CAFR	Tenth Township area	6,400	N	\$6,400	-	-	-	
50	Loan From the City of San Pablo for FY16-17 to FY19-20	City/County Loans After 6/27/11	08/01/2012	06/30/2022	City of San Pablo	Loan from the City to pay enforceable obligations from FY16-17 to FY19-20		1,996,683	N	\$1,996,683	-	-	-	1,996,683
51	Loan From the City of San Pablo for FY20-21	City/County Loans After 6/27/11	12/09/2020	06/30/2023	City of San Pablo	Loan from the City to pay enforceable obligations for FY20-21	Tenth Township area	-	N	\$-	-	-	-	

**San Pablo**

**Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances**  
**July 1, 2019 through June 30, 2020**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.						
A	B	C	D	E	F	G
<b>Fund Sources</b>						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
<b>ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</b>						
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/19)</b> RPTTF amount should exclude "A" period distribution amount.	-			<b>(206,958)</b>	
<b>2</b>	<b>Revenue/Income (Actual 06/30/20)</b> RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	-			293,400	5,537,351
<b>3</b>	<b>Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)</b>			3,171,273	997,227	5,550,357
						The Co (County ROPS include Reservi Account debt se ROPS 18-19B RPTTF and the unavail:

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the R funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G
Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin
	<b>ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</b>					
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/20)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					
<b>5</b>	<b>ROPS 19-20 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		4,636
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/20)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$-	\$-	<b>\$(3,171,273)</b>	<b>\$(910,785)</b>	<b>\$(17,642)</b>

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City-SA  
Item 50

**San Pablo**  
**Recognized Obligation Payment Schedule (ROPS 22-23) - Notes**  
**July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
20	
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50	The Successor Agency contends this loan from the General Fund is an enforceable obligation and will provide additional documentation during the DOF's review of the ROPS.
51	Resolved with DOF and is now a retired obligation.



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Contra Costa County Successor Agency-ROPS  
AGENDA ITEM: C.15

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### **Recommendation(s)**

**ADOPT** Resolution 2022/20 Approving the Recognized Obligation Payment Schedule for July 1, 2022 – June 30, 2023 (ROPS 22-23) for the **Contra Costa County** Successor Agency.

### **Background**

See attached staff report.

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### **Attachments**

Resolution 2022/20  
Contra Costa County Staff Report.  
Contra Costa County ROPS Summary

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/20**

**IN THE MATTER OF THE COUNTYWIDE OVERSIGHT BOARD FOR THE COUNTY OF CONTRA COSTA  
SUCCESSOR AGENCIES APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE  
PERIOD JULY 2022 - JUNE 2023 FOR CONTRA COSTA COUNTY SUCCESSOR AGENCY.**

**WHEREAS**, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

**WHEREAS**, on January 17, 2012, and pursuant to Health and Safety Code Section 34173, the Board of Supervisors of the County of Contra Costa (the "Board of Supervisors") declared that the County of Contra Costa, a political subdivision of the State of California (the "County"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the County of Contra Costa (the "Dissolved RDA") effective February 1, 2012; and

**WHEREAS**, on February 1, 2012, the RDA was dissolved pursuant to Health and Safety Code Section 34172; and

**WHEREAS**, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

**WHEREAS**, pursuant to Assembly Bill 1484 enacted June 27, 2012, to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the County of Contra Costa; and

**WHEREAS**, on July 18, 2013, the Department of Finance issued the Successor Agency a "finding of completion" pursuant to Health and Safety Code Section 34179.7 and as a result of the issuance of the finding of completion, pursuant to 34191.4 the Successor Agency is authorized to: (1) place loan agreements between the Dissolved RDA and the County on the Recognized Obligation Payment Schedule ("ROPS") and (2) utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants; and

**WHEREAS**, the ROPS 22-23 must be submitted by the Successor Agency to the Countywide Oversight Board for their approval in accordance with the Dissolution Act; and

**WHEREAS**, in accordance with Health and Safety Section 34179.6, the ROPS 22-23 was submitted by the Successor Agency to the Contra Costa County Administrative Officer, the Contra Costa County Auditor-Controller, and the State Department of Finance; and

**WHEREAS**, the Successor Agency is charged with paying for and completing the enforceable obligations of the Dissolved RDA (each as further defined in Health and Safety Code Section 34171(d)), disposing of the properties and other assets of the Dissolved RDA, and unwinding the affairs of the Dissolved RDA; and

**WHEREAS**, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

**NOW, THEREFORE**, the Countywide Oversight Board for the County of Contra Costa does hereby find, resolves, approves, and determines that the foregoing recitals are true and correct, and together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions and determinations set forth below:

**BE IT RESOLVED** that under Health and Safety Code Section 34180(g), the Oversight Board must approve establishment of a

ROPS for the Successor Agency.

**BE IT FURTHER RESOLVED** in accordance with the Dissolution Act, the Oversight Board hereby approves ROPS 22-23 in the form on file with the Oversight Board's Designated Contact Official (the "ROPS 22-23"), including the agreements and obligations described on the ROPS 22-23, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Contra Costa County - Rosalia Cuevas, Contra Costa County - Maureen Toms



CONTRA COSTA COUNTY  
DEPARTMENT OF CONSERVATION & DEVELOPMENT  
30 Muir Road  
Martinez, CA 94553  
Telephone: (925) 655-2895

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TO: Countywide Oversight Board

FROM: Maureen Toms, AICP, Deputy Director

DATE: January 24, 2022

SUBJECT: Recognized Obligation Payment Schedule for July 2022 - June 2023 (ROPS 22-23)

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### **Recommendation**

ADOPT Resolution No. 2022-20, approving the Recognized Obligation Payment Schedule for the period of July 1, 2022 – June 30, 2023 (“ROPS 22-23”).

### **ROPS**

The ROPS 22-23, which is a condensed version of both the “A” and “B” six-month periods, is due to the State Department of Finance (the “DOF”) by February 1, 2022.

As required under Health and Safety Code Section 34179.6, ROPS 22-23 will be submitted to the DOF, the County Administrator and the Contra Costa County Auditor-Controller and posted on the Successor Agency's website in accordance with the requirements thereunder.

ROPS 22-23 authorizes all payments to be made by the Successor Agency for enforceable obligations for the twelve-month period between July 1, 2022, and June 30, 2023. The payments noted on the ROPS are estimates. In most cases, assumptions made for ROPS 22-23 were based on actual expenditures in the prior ROPS and expected expenditures in the upcoming period.

The title page of ROPS 22-23 shows that enforceable obligations require \$8,287,374 from the Redevelopment Property Tax Trust Fund (the “RPTTF”) and \$250,000 for Administrative RPTTF. This amount assumes the RPTTF has already set aside pass-through payments to taxing entities and administrative costs for the County Auditor-Controller.

**Recognized Obligation Payment Schedule (ROPS 22-23) - Summary**  
**Filed for the July 1, 2022 through June 30, 2023 Period**

**Successor Agency:** Contra Costa County

**County:** Contra Costa

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>22-23A Total (July - December)</b>	<b>22-23B Total (January - June)</b>	<b>ROPS 22-23 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 3,837,399</b>	<b>\$ 4,449,975</b>	<b>\$ 8,287,374</b>
F RPTTF	3,712,399	4,324,975	8,037,374
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 3,837,399</b>	<b>\$ 4,449,975</b>	<b>\$ 8,287,374</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Contra Costa County**

**Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Due  
July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)			
											Fund Sources			
											Bond Proceeds	Reserve Balance	Other Funds	RPT
								\$130,855,544		\$8,287,374	\$-	\$-	\$-	\$3,711
46	Placemaking Transit Village	OPA/DDA/ Construction	12/19/ 2005	07/10/2026	Avalon Bay	Placemaking improvements (i.e. parks, etc.)	C	-	Y	\$-	-	-	-	-
60	Bond-License agreement	Professional Services	03/31/ 2006	03/31/2038	DAC	Document repository for bond issues	ALL	45,500	N	\$4,000	-	-	-	-
61	Bond-Treasurer fees	Fees	07/10/ 1984	08/01/2037	CCC Treasurer	Cash management for bond issues	ALL	-	Y	\$-	-	-	-	-
63	Hookston Station Remediation	Remediation	11/05/ 1997	08/01/2037	Bank Of Amer, Trustee	Remediation of hazardous material	C	1,900,000	N	\$250,000	-	-	-	250,000
77	Financial Assistance	OPA/DDA/ Construction	11/01/ 1998	11/01/2028	Bridge Housing	Agency assistance	C	600,000	N	\$100,000	-	-	-	100,000
78	Financial Assistance	OPA/DDA/ Construction	12/19/ 2005	05/01/2036	Avalon Bay	Agency assistance.	C	17,261,556	N	\$1,327,812	-	-	-	-
82	I H Trail/ Hookston Remediation (IH Hookston Station)	Professional Services	08/15/ 2012	12/31/2027	Contra Costa County - County Counsel	Remediation of I H corridor parcels (IH Hookston Station)	C	25,000	N	\$20,000	-	-	-	10,000
91	Hookston Station Remediation (IH Hookston Station)	Professional Services	01/23/ 2012	06/15/2017	Ensafe	Administrator of haz-mat remediation fund. (IH Hookston Station)	C	42,158	N	\$9,000	-	-	-	-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - I)			
											Fund Sources			
											Bond Proceeds	Reserve Balance	Other Funds	RPT
126	2017 Series A&B Debt Service	Refunding Bonds Issued After 6/27/12	08/01/2018	08/01/2037	US BANK	portion Series 2017 A&B Tax Allocation Bonds		83,755,653	N	\$5,960,157	-	-	-	2,980
127	Trustee fees for 2017 Series A&B	Fees	08/01/2018	08/01/2038	US BANK	Annual administration fees - 2017 Series A&B		62,000	N	\$5,000	-	-	-	-

**Contra Costa County  
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes  
July 1, 2022 through June 30, 2023**

<b>Item #</b>	<b>Notes/Comments</b>
46	
60	
61	
63	
77	
78	
82	
91	
94	
110	
125	
126	
127	



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: ADOPT Resolution 2022-35 Approving the issuance and sale of tax allocation refunding bonds by the Successor Agency to Hercules Redevelopment Agency  
AGENDA ITEM: C.16

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### **Recommendation(s)**

**ADOPT** Resolution 2022-35 Approving the issuance and sale of tax allocation refunding bonds by the Successor Agency to the **Hercules** Redevelopment Agency.

### **Background**

See attached.

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### **Attachments**

Resolution 2022/35  
2\_ Successor Agency Resolution  
3\_ Hercules\_MA Savings Analysis  
4\_ Indenture  
5\_ Form of Escrow Agreement for Agenda  
6\_ Bond Purchase Agreement  
7\_ Continuing Disclosure Certificate  
Staff Report

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**RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD  
FOR THE COUNTY OF CONTRA COSTA**

Adopted this Resolution on 01/24/2022 by the following vote:

AYE: ☐  
NO: ☐  
ABSENT: ☐  
ABSTAIN: ☐  
RECUSE: ☐



**Resolution: 2022/35**

**A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD TO THE SUCCESSOR AGENCIES WITHIN CONTRA COSTA COUNTY APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the Successor Agency to the Hercules Redevelopment Agency ("Successor Agency") has been established to take certain actions to wind down the affairs of the Hercules Redevelopment Agency (the "Prior Agency") in accordance with Section 34173 of the Health and Safety Code; and

**WHEREAS**, prior to July 1, 2018, under the Redevelopment Dissolution Law, in particular California Health and Safety Code Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven member oversight board, which oversaw and administered the Successor Agency's activities during the period from dissolution until June 30, 2018; and

**WHEREAS**, as of, on and after July 1, 2018, under the Redevelopment Dissolution Law, in particular California Health and Safety Code Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Contra Costa; and

**WHEREAS**, as of, on and after July 1, 2018, the County of Contra Costa through the Contra Costa County Auditor-Controller established the single Contra Costa Countywide Oversight Board (the "Oversight Board") in compliance with Section 34179(j), which serves as the oversight board to the 17 successor agencies existing and operating in Contra Costa County, including the Successor Agency; and

**WHEREAS**, the Prior Agency issued (i) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005; (ii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A; (iii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable); and (iv) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (collectively, the "Prior Obligations"); and

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

**WHEREAS**, the Successor Agency has by resolution (the "Successor Agency Resolution") authorized and approved the issuance of tax allocation refunding bonds (the "2022 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and pursuant to the Successor Agency Resolution desires to irrevocably set aside a portion of the proceeds of such 2022 Bonds in one or more separate segregated trust funds which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2022 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

**WHEREAS**, the 2022 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”); and

**WHEREAS**, the Oversight Board desires to approve all matters relating to the issuance and sale of the 2022 Bonds as required by Sections 34177.5 (f) and 34180 of the Health and Safety Code of the State of California.

**NOW, THEREFORE, BE IT RESOLVED** by the Contra Costa County Countywide Oversight Board, as follows:

**Section 1.** The foregoing Recitals are incorporated into this Resolution by this reference.

**Section 2.** The issuance by the Successor Agency of the 2022 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2022 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2022 Bonds may be issued as a single issue, or from time to time in separate tax-exempt or taxable series, from time to time, as the Successor Agency shall determine. The approval of the issuance of the 2022 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2022 Bonds and the sale of the 2022 Bonds at a public or private sale.

**Section 3.** The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Agreement, a private placement agreement, an Official Statement, a Continuing Disclosure Certificate, Escrow Agreements for the Prior Obligations and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

**Section 4.** The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2022 Bonds.

**Section 5.** Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2022 Bonds are issued.

**Section 6.** This Resolution shall take effect in accordance with Sections 34177.5(f) and 34179(h) of the Health and Safety Code.

**Section 7.** The Oversight Board Secretary shall certify to the adoption of this Resolution.

**PASSED AND ADOPTED this 24th of January, 2022.**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Countywide Oversight Board, on the date shown.

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary Maureen Toms,

**Contact:**

**cc:** Hercules - Suzy Kim, Hercules - Edwin Gato, Maureen Toms, DCD

**HERCULES SUCCESSOR AGENCY  
TO THE FORMER HERCULES REDEVELOPMENT AGENCY**

**RESOLUTION NO. 22-003-SA**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS IN AN AMOUNT OF NOT TO EXCEED \$98,000,000, AND APPROVING THE FORM OF AN INDENTURE OF TRUST, A FORM OF ESCROW AGREEMENT, A FORM OF BOND PURCHASE AGREEMENT, A FORM OF CONTINUING DISCLOSURE CERTIFICATE, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

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

**WHEREAS**, an Amended and Restated Redevelopment Plan for the Merged Project Area was adopted and approved, and amended from time to time, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

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

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

**WHEREAS**, the Prior Agency’s redevelopment powers, assets and obligations were transferred on February 1, 2012 to the Successor Agency to the Hercules Redevelopment Agency (the “Successor Agency”); and

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

**WHEREAS**, the Prior Agency issued (i) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005; (ii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A; (iii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable); and (iv) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (collectively, the “Prior Obligations”); and

**WHEREAS**, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other

indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

**WHEREAS**, the Successor Agency now desires to authorize and approve the issuance of tax allocation refunding bonds (the “2022 Bonds”) in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2022 Bonds in one or more separate segregated trust funds which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2022 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

**WHEREAS**, the 2022 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”); and

**WHEREAS**, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2022 Bonds; and

**WHEREAS**, good faith estimates of certain information relating to the 2022 Bonds is set forth in the staff report submitted to the Successor Agency herewith as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures Inc., the Successor Agency’s Municipal Advisor; and

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Approval of Bonds.** Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2022 Bonds, in one or more series, and from time to time, in an aggregate principal amount of not to exceed \$98,000,000, or such lesser amount as is sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2022 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2022 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2022 Bonds shall be applied as provided in the Indenture. The 2022 Bonds may be issued as a single issue, or from time to time, in separate series of taxable or tax-exempt bonds, as the Successor Agency shall determine. The approval of the issuance of the 2022 Bonds by the Successor Agency and the Contra Costa County Countywide Oversight Board (the “Oversight Board”) shall constitute the approval of each and every separate series of 2022 Bonds and the sale of the 2022 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

**Section 2. Approval of Indenture.** The form of the Indenture of Trust (the “Indenture”) presented herewith, providing for the issuance of the 2022 Bonds, is hereby approved. The Chair, the Executive Director, the Finance Director, the Secretary any member of the governing board of the Successor Agency or their respective written designee (each an “Authorized Officer” and collectively, the “Authorized Officers”) are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Indenture, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. If the 2022 Bonds are to be sold in separate series at different times, each of the Authorized Officers is hereby authorized and directed in the name of the Successor Agency to execute any supplement to the Indenture to provide for the issuance of such series of 2022 Bonds consistent with the terms of the Resolution.

Each of the Authorized Officers is hereby authorized and directed to execute and countersign each of the 2022 Bonds on behalf of the Successor Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2022 Bonds on behalf of the Successor Agency. In case either of such officers whose signature appears on the 2022 Bonds shall cease to be such officer before the delivery of the 2022 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2022 Bonds.

**Section 3. Approval of Escrow Agreements.** The form of the Escrow Agreements presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Escrow Agreements for each of the Prior Obligations in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4. Approval of Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver a Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5. Approval of Bond Purchase Agreement.**

(a) The form of the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, as Underwriter, in the form presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Bond Purchase Agreement shall be signed only if the terms of the Bond Purchase Agreement are such that (i) the total interest cost to maturity on the 2022 Bonds plus the principal amount of the 2022 Bonds will not exceed the total remaining interest cost to maturity on the Prior Obligations plus the principal amount of the Prior Obligations, (ii) the principal amount of the 2022 Bonds will not exceed the amount required to defease the Prior Obligations, to establish a customary debt service reserve fund, and to pay related costs of issuance,

and (iii) the aggregate Underwriter's discount (not including any original issue discount paid by the Underwriter) shall not exceed 0.95% of the aggregate principal amount of the 2022 Bonds.

(b) As an alternative to the sale of the 2022 Bonds through a public offering authorized in paragraph (a), the 2022 Bonds may be sold on a private placement basis through Stifel, Nicolaus & Company, Incorporated, acting as private placement agent (the "Private Placement Agent"), if a private placement of the 2022 Bonds will produce lower interest rates (and therefore greater savings) than are available through a public offering of the 2022 Bonds, or if a private placement is otherwise preferable and/or more appropriate to a public offering of the 2022 Bonds, in the opinion of, and upon recommendation of, the Municipal Advisor, which recommendation is agreed to by the Executive Director or Finance Director of the Successor Agency, so long as the interest rate savings specified in paragraph (a) are achieved through said private placement of the 2022 Bonds, and so long as the compensation to the Private Placement Agent through a private placement of the Bonds does not exceed the amount approved by the Executive Director or Finance Director of the Successor Agency.

**Section 6. Debt Management Policy.** The Debt Issuance and Management Policy adopted by the City Council of the City of Hercules is hereby adopted by the Board of Directors of the Successor Agency.

**Section 7. Miscellaneous.** Each of the Authorized Officers and other appropriate officers of the Successor Agency, acting alone, is authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts that they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2022 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2022 Bonds, the Indenture, the Continuing Disclosure Certificate, the Bond Purchase Agreement and the Escrow Agreement, each in order to facilitate the issuance of the 2022 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, to amend any of the legal documents entered in connection with the Prior Obligations in order to effectuate the defeasance and refunding of such Prior Obligations, to execute irrevocable refunding instructions with respect to the Prior Obligations, to secure municipal bond insurance on the 2022 Bonds and/or a reserve surety or reserve policy to fund any reserve account or fund established for the 2022 Bonds, if available (which may include entering into a mutual insurance agreement(s) therefor), to request subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2022 Bonds, to negotiate and execute a private placement agreement with the Private Placement Agent, and to negotiate and execute an agreement or instructions for the County Auditor-Controller to directly pay debt service on the 2022 Bonds from the Successor Agency's Redevelopment Property Tax Trust Fund (i.e., irrevocable instructions to intercept property tax revenues or a custody agreement), as the Authorized Officer may require or approve, in consultation with Bond Counsel and the Successor Agency's Municipal Advisor, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

**Section 8. Appointment of Professionals.** Stradling Yocca Carlson & Rauth, A Professional Corporation, is hereby approved and appointed as Bond Counsel and Disclosure Counsel, Urban Futures Inc. is hereby approved and appointed as Municipal Advisor, RSG, Inc. is hereby approved and appointed Fiscal Consultant, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee and Escrow Bank, each to provide such services and any other related services as may be required to issue the 2022 Bonds and to defease and/or refund the Prior Obligations.


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

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

PASSED, APPROVED, AND ADOPTED on January 11, 2022.

DocuSigned by:

ATTEST



Lori Martin  
Secretary

DocuSigned by:

Dion Bailey

9933D42C379245A

Dion Bailey, Chair

STATE OF CALIFORNIA )  
COUNTY OF CONTRA COSTA )  
CITY OF HERCULES )

I, LORI MARTIN, Secretary of the Successor Agency to the Hercules Redevelopment Agency, DO HEREBY CERTIFY that the foregoing Resolution No. SA 22-003 was duly passed and adopted by the Board of Directors of the Successor Agency to the Hercules Redevelopment Agency at a regular meeting held on the 11th day of January 2022 by the following roll call vote, to wit:

AYES: DIRECTORS: T. Grimsley, C. Kelley, D. Romero, Vice Mayor A. Walker-Griffin, Mayor D. Bailey.

NOES: DIRECTORS: None.

ABSENT: DIRECTORS: None.

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Hercules this 21st day of January, 2022.

DocuSigned by:



04EC9EE051FC431

LORI MARTIN, SECRETARY



## SAVINGS MEMORANDUM

**TO:** Successor Agency to the Hercules Redevelopment Agency

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

**DATE:** January 11, 2022

**RE:** Independent Municipal Advisor's Report: Debt Service Savings Analysis for the Successor Agency to the Hercules Redevelopment Agency 2022 Tax Allocation Refunding Bonds

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### Background

The Successor Agency to the Hercules Redevelopment Agency (the "Agency") is authorized under Section 34177.5 of the California Health and Safety Code to issue refunding tax allocation bonds and other indebtedness for economic savings within the parameters set forth in Section 34177.5(a)(1) of the California Health and Safety Code (the "Savings Parameters"). In addition, Section 34177.5(h) of the California Health and Safety Code provides, in relevant part, that the Agency "...shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the Department of Finance at its request." Urban Futures, Inc., has been retained by the Agency to serve as its independent municipal advisor to determine compliance with the Savings Parameters for purposes of the incurrence by the Agency of its 2022 Tax Allocation Refunding Bonds (the "2022 Bonds").

The Agency will issue the 2022 Bonds to refund the following obligations of the former Redevelopment Agency: (i) Hercules Merged Project Area, Tax Allocation Bonds, Series 2005 (the "2005 Bonds"); (ii) Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A (the "2007A Bonds"); (iii) Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable) (the "Taxable 2007A Housing Bonds"); and (iv) the Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (the "2007B Housing Bonds") (collectively, the "Prior Obligations"). The Agency has selected Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to structure and negotiate the refunding of the Prior Obligations. The financing goal is to maximize economic savings by reducing total debt service, and the savings generated from this refunding are anticipated to result in higher future property tax distributions to the taxing entities. This report may be used in presentations to the Agency Board and Oversight Board, but actual savings will be final only after the pricing of the 2022 Bonds.

### Plan of Refunding

Based on market conditions as of December 21, 2021, the Underwriter estimates the refunding of the Prior Obligations will achieve combined debt service savings of approximately \$25.1 million and Net Present Value savings of approximately \$17.8 million, or 19.6% of refunded par, as shown in Tables 2 and 3. The Underwriter's estimates include the following key assumptions: (i) all of the outstanding Prior Obligations are refunded, (ii) an underlying rating of "BBB" is assigned by S&P to the 2022 Bonds, (iii) a cash funded reserve fund, (iv) a public market negotiated sale of the 2022 Bonds, and (v) 2022 Bonds are structured to achieve proportional savings. The Successor Agency may select an alternative structure for the 2022 Bonds and other assumptions may be adjusted, which would change the refunding results.

## Refunding Results

Table 1 below shows the estimated sources and uses for the 2022 Bonds.

Table 1: Sources and Uses of Funds					
Sources:	2005 Bonds	2007A Bonds	Taxable 2007A Housing Bonds	2007B Housing Bonds	Total
Par Amount	\$ 25,130,000	\$ 40,185,000	\$ 8,290,000	\$ 5,305,000	\$ 78,910,000
Premium	3,495,790	6,428,948		719,917	10,644,655
	<u>\$ 28,625,790</u>	<u>\$ 46,613,948</u>	<u>\$ 8,290,000</u>	<u>\$ 6,024,917</u>	<u>\$ 89,554,655</u>
Prior Bonds Available Funds	3,312,642	4,271,602	1,110,292	1,253,497	9,948,033
	<u>\$ 3,312,642</u>	<u>\$ 4,271,602</u>	<u>\$ 1,110,292</u>	<u>\$ 1,253,497</u>	<u>\$ 9,948,033</u>
Total Sources of Funds	<u>\$ 31,938,433</u>	<u>\$ 50,885,550</u>	<u>\$ 9,400,292</u>	<u>\$ 7,278,414</u>	<u>\$ 99,502,688</u>
Uses:	2005 Bonds	2007A Bonds	Taxable 2007A Housing Bonds	2007B Housing Bonds	Total
Refunding Escrow Deposit	\$ 29,535,988	\$ 47,046,461	\$ 8,605,863	\$ 6,770,696	\$ 91,959,007
Debt Service Reserve Fund	\$ 2,109,257	\$ 3,372,880	\$ 695,811	\$ 445,269	\$ 6,623,218
Costs of Issuance	\$ 293,188	\$ 466,209	\$ 98,618	\$ 62,449	\$ 920,463
Total Uses of Funds	<u>\$ 31,938,433</u>	<u>\$ 50,885,550</u>	<u>\$ 9,400,292</u>	<u>\$ 7,278,414</u>	<u>\$ 99,502,688</u>

Tables 2 and 3 below show estimated Cash Flow and Net Present Value savings results assuming market conditions as of December 21, 2021. Additional information can be found in the attached Refunding Analysis.

Table 2: Cash Flow Savings					
	2005 Bonds	2007A Bonds	Taxable 2007A Housing Bonds	2007B Housing Bonds	Total
8/1/2022	\$ 621	\$ 2,169	\$ 1,487	\$ 3,937	\$ 8,215
8/1/2023	617,588	626,781	197,426	196,050	1,637,845
8/1/2024	619,650	618,119	193,574	198,925	1,630,268
8/1/2025	620,013	614,019	195,274	196,188	1,625,493
8/1/2026	618,625	609,231	196,657	198,088	1,622,601
8/1/2027	620,475	605,119	193,034	199,375	1,618,002
8/1/2028	620,300	595,719	193,887	200,050	1,609,956
8/1/2029	618,063	593,616	194,372	196,205	1,602,255
8/1/2030	618,738	585,954	194,338	197,010	1,596,039
8/1/2031	617,063	582,921	192,874	197,225	1,590,083
8/1/2032	618,013	574,306	194,875	195,550	1,582,744
8/1/2033	616,300	570,344	195,607	198,225	1,580,476
8/1/2034	156,888	1,006,519			1,163,406
8/1/2035	156,275	999,550			1,155,825
8/1/2036		1,155,550			1,155,550
8/1/2037		659,281			659,281
8/1/2038		655,938			655,938
8/1/2039		655,613			655,613
8/1/2040		658,013			658,013
8/1/2041		657,913			657,913
8/1/2042		655,250			655,250
	<u>\$ 7,118,608</u>	<u>\$ 13,681,923</u>	<u>\$ 2,143,403</u>	<u>\$ 2,176,827</u>	<u>\$ 25,120,762</u>

Table 3: Net PV Savings Summary						
	2005 Bonds	2007A Bonds	Taxable 2007A Housing Bonds	2007B Housing Bonds	Total	
PV of savings from cash flow	\$ 6,262,298	\$ 11,013,526	\$ 1,900,807	\$ 1,925,403	\$ 21,102,035	
Less: Prior funds on hand <sup>(1)</sup>	\$ (3,312,642)	\$ (4,271,602)	\$ (1,110,292)	\$ (1,253,497)	\$ (9,948,033)	
Plus: Refunding funds on hand <sup>(2)</sup>	\$ 2,110,469	\$ 3,372,195	\$ 698,111	\$ 446,081	\$ 6,626,856	
Net PV Savings	\$ 5,060,125	\$ 10,114,119	\$ 1,488,626	\$ 1,117,988	\$ 17,780,858	
Net PV Savings as % of Refunded Par	17.38%	21.80%	17.61%	16.75%	19.61%	

<sup>(1)</sup> Primarily consists of reserve account releases in connection with defeasance of Prior Obligations and RPTTF available funds

<sup>(2)</sup> Debt service reserve for 2022 Bonds

### Proposed Refunding Complies With State Law

Based on the 2022 Bonds' proposed structure and the estimated debt service savings according to numbers prepared by the Underwriter, Urban Futures, Inc., concludes that the 2022 Bonds comply with the Savings Parameters and other requirements of State Law as described below.

**A. Total debt service (principal and interest) on the refunding bonds is less than total debt service on the refunded bonds (sec. 34177.5(a)(1)(A)):** Section 34177.5(a)(1)(A) requires that the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded. Table 2 shows estimated total nominal debt service savings of approximately \$7.1 million for the 2005 Bonds, \$13.7 million for the 2007A Bonds, \$2.1 million for the Taxable 2007A Housing Bonds, and \$2.2 million for the 2007B Housing Bonds (\$25.1 million combined), calculated as (i) total debt service on the Prior Obligations, minus (ii) total debt service on the 2022 Bonds. Net Present Value savings are estimated to be approximately: \$5.1 million, or 17.38% of refunded par for the 2005 Bonds, \$10.1 million, or 21.80% of refunded par for the 2007A Bonds, \$1.5 million, or 17.61% of refunded par for the Taxable 2007A Housing Bonds, and \$1.1 million, or 16.75% of refunded par for the 2007B Housing Bonds. Combined, the Net Present Value savings are estimated to be \$17.8 million, or 19.61% of refunded par. The individual and combined Net Present Value savings satisfy the Savings Parameters in Section 34177.5(a)(1) and are well-above the 3% minimum threshold typically targeted by issuers.

**B. Refunding bonds principal shall be used only for purposes of refunding outstanding Agency obligations (sec. 34177.5(a)(1)(B)):** Section 34177.5(a)(1)(B) requires that the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. Table 1 shows the anticipated sources and uses of funds for the 2022 Bonds and confirms that all proceeds of the 2022 Bonds will be used only to defease the Prior Obligations, to establish a debt service reserve fund, and to pay related costs of issuance. Proceeds of the 2022 Bonds will not be used for any other purposes, including new-money purposes.

**C. Agency shall make diligent efforts to ensure lowest long-term cost financing is obtained, to structure refunding that does not provide for any bullets or spikes or variable rates, and shall hire an independent financial advisor (sec. 34177.5(h)):** Section 34177.5(h) requires the Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained and that the financing not provide for any bullets or spikes or use variable rates. The Agency has retained Urban Futures, Inc., an independent financial advisor registered with the SEC and MSRB, to monitor the pricing of the 2022 Bonds. In order to

achieve the lowest long-term cost of financing, the financing team will explore the use of bond insurance and a surety for the 2022 Bonds, and the Agency will request subordination of pass-through payments. In accordance with Section 34177.5(h), the 2022 Bonds will not be structured to include any bullet principal maturities, debt service spikes or variable rate debt.

Issuance of the 2022 Bonds by the Agency for the purpose of refunding the Prior Obligations is recommended to achieve debt service savings.



## **Appendix: Refunding Analysis**

## SOURCES AND USES OF FUNDS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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	Dated Date	05/03/2022			
	Delivery Date	05/03/2022			
Sources:	Current Refunding of Tax Allocation Bonds, Series 2005	Current Refunding of Tax Allocation Bonds, 2007 Series A	Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)	Current Refunding of Housing Tax Allocation Bonds, 2007 Series B	Total
Bond Proceeds:					
Par Amount	25,130,000.00	40,185,000.00	8,290,000.00	5,305,000.00	78,910,000.00
Premium	3,495,790.25	6,428,947.50		719,917.05	10,644,654.80
	28,625,790.25	46,613,947.50	8,290,000.00	6,024,917.05	89,554,654.80
Other Sources of Funds:					
Revenue Funds	29.04		3.97	2.20	35.21
Reserve Funds	2,812,917.05	3,813,348.03	955,982.73	1,082,585.82	8,664,833.63
RPTTF Funds on Hand	499,696.33	455,548.57	154,305.18	118,796.92	1,228,347.00
2007A Project Reimbursement Account		2,705.69			2,705.69
2007B Housing Project Fund				52,111.57	52,111.57
	3,312,642.42	4,271,602.29	1,110,291.88	1,253,496.51	9,948,033.10
	31,938,432.67	50,885,549.79	9,400,291.88	7,278,413.56	99,502,687.90
Uses:	Current Refunding of Tax Allocation Bonds, Series 2005	Current Refunding of Tax Allocation Bonds, 2007 Series A	Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)	Current Refunding of Housing Tax Allocation Bonds, 2007 Series B	Total
Refunding Escrow Deposits:					
Cash Deposit	29,535,988.02	47,046,460.68	8,605,862.76	6,770,695.83	91,959,007.29
Other Fund Deposits:					
Debt Service Reserve Fund	2,109,256.82	3,372,880.44	695,811.34	445,268.90	6,623,217.50
Delivery Date Expenses:					
Cost of Issuance	103,500.82	165,506.59	34,143.33	21,849.26	325,000.00
Underwriter's Discount	188,475.00	301,387.50	62,175.00	39,787.50	591,825.00
	291,975.82	466,894.09	96,318.33	61,636.76	916,825.00
Other Uses of Funds:					
Contingency	1,212.01	(685.42)	2,299.45	812.07	3,638.11
	31,938,432.67	50,885,549.79	9,400,291.88	7,278,413.56	99,502,687.90

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.
6. Fund balances from BNY Mellon as of December 15th

**BOND SUMMARY STATISTICS****Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Dated Date	05/03/2022
Delivery Date	05/03/2022
First Coupon	08/01/2022
Last Maturity	08/01/2042
Arbitrage Yield	2.040037%
True Interest Cost (TIC)	2.546142%
Net Interest Cost (NIC)	2.792160%
All-In TIC	2.593742%
Average Coupon	4.166194%
Average Life (years)	9.272
Par Amount	78,910,000.00
Bond Proceeds	89,554,654.80
Total Interest	30,481,088.34
Net Interest	20,428,258.54
Total Debt Service	109,391,088.34
Maximum Annual Debt Service	6,623,217.50
Average Annual Debt Service	5,403,511.50

## Notes:

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2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SUMMARY OF REFUNDING RESULTS

Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021

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Market Conditions as of December 21, 2021 plus 25bps

Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis

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	Current Refunding of Tax Allocation Bonds, Series 2005	Current Refunding of Tax Allocation Bonds, 2007 Series A	Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)	Current Refunding of Housing Tax Allocation Bonds, 2007 Series B	Total
Dated Date	05/03/2022	05/03/2022	05/03/2022	05/03/2022	05/03/2022
Delivery Date	05/03/2022	05/03/2022	05/03/2022	05/03/2022	05/03/2022
Arbitrage Yield	2.040037%	2.040037%	2.991593%	2.040037%	2.040037%
Escrow Yield					
Value of Negative Arbitrage					
Bond Par Amount	25,130,000.00	40,185,000.00	8,290,000.00	5,305,000.00	78,910,000.00
True Interest Cost	2.002946%	2.721114%	3.133599%	1.942170%	2.546142%
Net Interest Cost	2.193185%	2.997863%	3.136617%	2.123052%	2.792160%
Average Coupon	4.250000%	4.250000%	3.010976%	4.250000%	4.166194%
Average Life	6.399	12.178	5.969	6.028	9.272
Par amount of refunded bonds	29,115,000.00	46,405,000.00	8,455,000.00	6,675,000.00	90,650,000.00
Average coupon of refunded bonds	4.955243%	4.737876%	6.124720%	4.937531%	4.881961%
Average life of refunded bonds	6.653	12.598	6.443	6.317	9.652
PV of prior debt	34,639,841.68	60,491,867.03	10,626,137.65	7,879,086.93	113,636,933.29
Net PV Savings	5,060,124.74	10,114,119.07	1,488,626.31	1,117,987.88	17,780,858.00
Percentage savings of refunded bonds	17.379786%	21.795322%	17.606461%	16.748882%	19.614846%

## Notes:

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2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## BOND PRICING

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Taxable Serial Bonds:								
	08/01/2022	705,000	1.200%	1.200%	100.000			
	08/01/2023	615,000	1.400%	1.400%	100.000			
	08/01/2024	625,000	1.760%	1.760%	100.000			
	08/01/2025	635,000	2.020%	2.020%	100.000			
	08/01/2026	645,000	2.320%	2.320%	100.000			
	08/01/2027	665,000	2.540%	2.540%	100.000			
	08/01/2028	680,000	2.790%	2.790%	100.000			
	08/01/2029	700,000	3.030%	3.030%	100.000			
	08/01/2030	720,000	3.130%	3.130%	100.000			
	08/01/2031	745,000	3.230%	3.230%	100.000			
	08/01/2032	765,000	3.380%	3.380%	100.000			
	08/01/2033	790,000	3.530%	3.530%	100.000			
		8,290,000						
Tax-Exempt Serial Bonds:								
	08/01/2022	4,540,000	4.250%	0.620%	100.884			
	08/01/2023	2,995,000	4.250%	0.820%	104.237			
	08/01/2024	3,100,000	4.250%	1.030%	107.124			
	08/01/2025	3,210,000	4.250%	1.130%	109.910			
	08/01/2026	3,320,000	4.250%	1.300%	112.141			
	08/01/2027	3,435,000	4.250%	1.480%	113.926			
	08/01/2028	3,560,000	4.250%	1.630%	115.493			
	08/01/2029	3,685,000	4.250%	1.770%	116.790			
	08/01/2030	3,820,000	4.250%	1.830%	118.438			
	08/01/2031	3,955,000	4.250%	1.920%	119.647			
	08/01/2032	4,095,000	4.250%	2.050%	120.232			
	08/01/2033	4,240,000	4.250%	2.120%	119.518	2.273%	08/01/2032	100.000
	08/01/2034	3,855,000	4.250%	2.190%	118.809	2.461%	08/01/2032	100.000
	08/01/2035	3,990,000	4.250%	2.220%	118.506	2.590%	08/01/2032	100.000
	08/01/2036	4,160,000	4.250%	2.240%	118.305	2.694%	08/01/2032	100.000
	08/01/2037	2,195,000	4.250%	2.270%	118.004	2.792%	08/01/2032	100.000
	08/01/2038	2,290,000	4.250%	2.300%	117.704	2.878%	08/01/2032	100.000
	08/01/2039	2,390,000	4.250%	2.330%	117.405	2.954%	08/01/2032	100.000
	08/01/2040	2,485,000	4.250%	2.360%	117.107	3.023%	08/01/2032	100.000
	08/01/2041	2,595,000	4.250%	2.390%	116.809	3.085%	08/01/2032	100.000
	08/01/2042	2,705,000	4.250%	2.420%	116.513	3.141%	08/01/2032	100.000
		70,620,000						
		78,910,000						

Dated Date	05/03/2022	
Delivery Date	05/03/2022	
First Coupon	08/01/2022	
Par Amount	78,910,000.00	
Premium	10,644,654.80	
Production	89,554,654.80	113.489614%
Underwriter's Discount	(591,825.00)	(0.750000%)
Purchase Price	88,962,829.80	112.739614%
Accrued Interest		
Net Proceeds	88,962,829.80	

**BOND PRICING**

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Notes:

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2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SAVINGS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/03/2022 @ 2.0400372%
08/01/2022	6,039,012.51	6,030,797.84	8,214.67	8,174.01
08/01/2023	8,261,062.52	6,623,217.50	1,637,845.02	1,603,373.01
08/01/2024	8,232,587.52	6,602,320.00	1,630,267.52	1,563,587.99
08/01/2025	8,205,062.52	6,579,570.00	1,625,492.52	1,527,367.84
08/01/2026	8,172,918.76	6,550,318.00	1,622,600.76	1,493,685.17
08/01/2027	8,147,256.26	6,529,254.00	1,618,002.26	1,459,220.13
08/01/2028	8,116,331.26	6,506,375.50	1,609,955.76	1,422,484.01
08/01/2029	8,083,358.76	6,481,103.50	1,602,255.26	1,386,913.23
08/01/2030	8,054,320.02	6,458,281.00	1,596,039.02	1,353,437.98
08/01/2031	8,023,477.52	6,433,395.00	1,590,082.52	1,320,943.29
08/01/2032	7,983,987.52	6,401,244.00	1,582,743.52	1,288,058.61
08/01/2033	7,951,825.02	6,371,349.50	1,580,475.52	1,259,978.33
08/01/2034	6,151,668.76	4,988,262.50	1,163,406.26	908,963.25
08/01/2035	6,115,250.00	4,959,425.00	1,155,825.00	884,700.82
08/01/2036	6,115,400.00	4,959,850.00	1,155,550.00	866,507.95
08/01/2037	3,477,331.26	2,818,050.00	659,281.26	484,688.01
08/01/2038	3,475,700.00	2,819,762.50	655,937.50	472,440.90
08/01/2039	3,478,050.00	2,822,437.50	655,612.50	462,592.43
08/01/2040	3,473,875.00	2,815,862.50	658,012.50	454,822.66
08/01/2041	3,478,162.50	2,820,250.00	657,912.50	445,478.12
08/01/2042	3,475,212.50	2,819,962.50	655,250.00	434,617.74
	134,511,850.21	109,391,088.34	25,120,761.87	21,102,035.49

**Savings Summary**

PV of savings from cash flow	21,102,035.49
Less: Prior funds on hand	(9,948,033.10)
Plus: Refunding funds on hand	6,626,855.61
<b>Net PV Savings</b>	<b>17,780,858.00</b>

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SAVINGS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Current Refunding of Tax Allocation Bonds, Series 2005  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

\*\*\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/03/2022 @ 2.0400372%
08/01/2022	2,456,693.75	2,456,072.78	620.97	617.90
08/01/2023	3,182,325.00	2,564,737.50	617,587.50	604,086.07
08/01/2024	3,181,812.50	2,562,162.50	619,650.00	593,807.39
08/01/2025	3,181,837.50	2,561,825.00	620,012.50	582,098.11
08/01/2026	3,182,137.50	2,563,512.50	618,625.00	569,005.90
08/01/2027	3,182,487.50	2,562,012.50	620,475.00	559,107.31
08/01/2028	3,182,625.00	2,562,325.00	620,300.00	547,583.74
08/01/2029	3,182,300.00	2,564,237.50	618,062.50	534,507.98
08/01/2030	3,181,275.00	2,562,537.50	618,737.50	524,191.32
08/01/2031	3,179,287.50	2,562,225.00	617,062.50	512,115.56
08/01/2032	3,181,100.00	2,563,087.50	618,012.50	502,435.79
08/01/2033	3,181,212.50	2,564,912.50	616,300.00	490,808.26
08/01/2034	814,375.00	657,487.50	156,887.50	122,451.42
08/01/2035	813,050.00	656,775.00	156,275.00	119,481.59
	39,082,518.75	31,963,910.28	7,118,608.47	6,262,298.33

**Savings Summary**

PV of savings from cash flow	6,262,298.33
Less: Prior funds on hand	(3,312,642.42)
Plus: Refunding funds on hand	2,110,468.83
Net PV Savings	5,060,124.74

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SAVINGS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Current Refunding of Tax Allocation Bonds, 2007 Series A  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

\*\*\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/03/2022 @ 2.0400372%
08/01/2022	2,239,646.88	2,237,477.50	2,169.38	2,158.64
08/01/2023	3,312,293.76	2,685,512.50	626,781.26	613,692.99
08/01/2024	3,283,793.76	2,665,675.00	618,118.76	593,019.10
08/01/2025	3,258,793.76	2,644,775.00	614,018.76	577,197.87
08/01/2026	3,227,043.76	2,617,812.50	609,231.26	561,139.04
08/01/2027	3,200,118.76	2,595,000.00	605,118.76	546,125.38
08/01/2028	3,166,843.76	2,571,125.00	595,718.76	526,829.14
08/01/2029	3,134,803.76	2,541,187.50	593,616.26	514,375.58
08/01/2030	3,106,353.76	2,520,400.00	585,953.76	497,504.08
08/01/2031	3,076,258.76	2,493,337.50	582,921.26	484,939.22
08/01/2032	3,039,518.76	2,465,212.50	574,306.26	468,141.57
08/01/2033	3,006,368.76	2,436,025.00	570,343.76	455,524.87
08/01/2034	5,337,293.76	4,330,775.00	1,006,518.76	786,511.83
08/01/2035	5,302,200.00	4,302,650.00	999,550.00	765,219.23
08/01/2036	6,115,400.00	4,959,850.00	1,155,550.00	866,507.95
08/01/2037	3,477,331.26	2,818,050.00	659,281.26	484,688.01
08/01/2038	3,475,700.00	2,819,762.50	655,937.50	472,440.90
08/01/2039	3,478,050.00	2,822,437.50	655,612.50	462,592.43
08/01/2040	3,473,875.00	2,815,862.50	658,012.50	454,822.66
08/01/2041	3,478,162.50	2,820,250.00	657,912.50	445,478.12
08/01/2042	3,475,212.50	2,819,962.50	655,250.00	434,617.74
	74,665,063.26	60,983,140.00	13,681,923.26	11,013,526.34

Savings Summary

PV of savings from cash flow	11,013,526.34
Less: Prior funds on hand	(4,271,602.29)
Plus: Refunding funds on hand	3,372,195.02
Net PV Savings	10,114,119.07

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SAVINGS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

\*\*\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/03/2022 @ 2.0400372%
08/01/2022	758,621.88	757,134.50	1,487.38	1,480.02
08/01/2023	1,017,243.76	819,817.50	197,426.26	193,906.49
08/01/2024	1,014,781.26	821,207.50	193,573.76	186,213.27
08/01/2025	1,015,481.26	820,207.50	195,273.76	183,952.19
08/01/2026	1,014,037.50	817,380.50	196,657.00	181,414.70
08/01/2027	1,015,450.00	822,416.50	193,033.50	174,403.71
08/01/2028	1,014,412.50	820,525.50	193,887.00	171,542.93
08/01/2029	1,015,925.00	821,553.50	194,371.50	168,406.53
08/01/2030	1,014,681.26	820,343.50	194,337.76	164,886.29
08/01/2031	1,015,681.26	822,807.50	192,873.76	160,247.91
08/01/2032	1,013,618.76	818,744.00	194,874.76	158,537.48
08/01/2033	1,013,493.76	817,887.00	195,606.76	155,815.90
	11,923,428.20	9,780,025.00	2,143,403.20	1,900,807.40

**Savings Summary**

PV of savings from cash flow	1,900,807.40
Less: Prior funds on hand	(1,110,291.88)
Plus: Refunding funds on hand	698,110.79
Net PV Savings	1,488,626.31

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SAVINGS

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Current Refunding of Housing Tax Allocation Bonds, 2007 Series B  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/03/2022 @ 2.0400372%
08/01/2022	584,050.00	580,113.06	3,936.94	3,917.46
08/01/2023	749,200.00	553,150.00	196,050.00	191,687.46
08/01/2024	752,200.00	553,275.00	198,925.00	190,548.24
08/01/2025	748,950.00	552,762.50	196,187.50	184,119.67
08/01/2026	749,700.00	551,612.50	198,087.50	182,125.53
08/01/2027	749,200.00	549,825.00	199,375.00	179,583.73
08/01/2028	752,450.00	552,400.00	200,050.00	176,528.21
08/01/2029	750,330.00	554,125.00	196,205.00	169,623.15
08/01/2030	752,010.00	555,000.00	197,010.00	166,856.30
08/01/2031	752,250.00	555,025.00	197,225.00	163,640.60
08/01/2032	749,750.00	554,200.00	195,550.00	158,943.76
08/01/2033	750,750.00	552,525.00	198,225.00	157,829.31
	8,840,840.00	6,664,013.06	2,176,826.94	1,925,403.42

**Savings Summary**

PV of savings from cash flow	1,925,403.42
Less: Prior funds on hand	(1,253,496.51)
Plus: Refunding funds on hand	446,080.97
Net PV Savings	1,117,987.88

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## BOND DEBT SERVICE

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Period Ending	Principal	Interest	Debt Service
08/01/2022	5,245,000	785,797.84	6,030,797.84
08/01/2023	3,610,000	3,013,217.50	6,623,217.50
08/01/2024	3,725,000	2,877,320.00	6,602,320.00
08/01/2025	3,845,000	2,734,570.00	6,579,570.00
08/01/2026	3,965,000	2,585,318.00	6,550,318.00
08/01/2027	4,100,000	2,429,254.00	6,529,254.00
08/01/2028	4,240,000	2,266,375.50	6,506,375.50
08/01/2029	4,385,000	2,096,103.50	6,481,103.50
08/01/2030	4,540,000	1,918,281.00	6,458,281.00
08/01/2031	4,700,000	1,733,395.00	6,433,395.00
08/01/2032	4,860,000	1,541,244.00	6,401,244.00
08/01/2033	5,030,000	1,341,349.50	6,371,349.50
08/01/2034	3,855,000	1,133,262.50	4,988,262.50
08/01/2035	3,990,000	969,425.00	4,959,425.00
08/01/2036	4,160,000	799,850.00	4,959,850.00
08/01/2037	2,195,000	623,050.00	2,818,050.00
08/01/2038	2,290,000	529,762.50	2,819,762.50
08/01/2039	2,390,000	432,437.50	2,822,437.50
08/01/2040	2,485,000	330,862.50	2,815,862.50
08/01/2041	2,595,000	225,250.00	2,820,250.00
08/01/2042	2,705,000	114,962.50	2,819,962.50
	78,910,000	30,481,088.34	109,391,088.34

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## AGGREGATE DEBT SERVICE

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

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**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Period Ending	Current Refunding of Tax Allocation Bonds, Series 2005	Current Refunding of Tax Allocation Bonds, 2007 Series A	Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)	Current Refunding of Housing Tax Allocation Bonds, 2007 Series B	Catellus Payments	Housing Bridge Loan	Aggregate Debt Service
08/01/2022	2,456,072.78	2,237,477.50	757,134.50	580,113.06	2,000,000	130,000	8,160,797.84
08/01/2023	2,564,737.50	2,685,512.50	819,817.50	553,150.00	2,000,000	130,000	8,753,217.50
08/01/2024	2,562,162.50	2,665,675.00	821,207.50	553,275.00	2,000,000	130,000	8,732,320.00
08/01/2025	2,561,825.00	2,644,775.00	820,207.50	552,762.50	1,333,333		7,912,903.00
08/01/2026	2,563,512.50	2,617,812.50	817,380.50	551,612.50	1,333,333		7,883,651.00
08/01/2027	2,562,012.50	2,595,000.00	822,416.50	549,825.00	1,333,333		7,862,587.00
08/01/2028	2,562,325.00	2,571,125.00	820,525.50	552,400.00	1,333,333		7,839,708.50
08/01/2029	2,564,237.50	2,541,187.50	821,553.50	554,125.00	1,333,333		7,814,436.50
08/01/2030	2,562,537.50	2,520,400.00	820,343.50	555,000.00	1,333,333		7,791,614.00
08/01/2031	2,562,225.00	2,493,337.50	822,807.50	555,025.00	1,333,333		7,766,728.00
08/01/2032	2,563,087.50	2,465,212.50	818,744.00	554,200.00	1,333,333		7,734,577.00
08/01/2033	2,564,912.50	2,436,025.00	817,887.00	552,525.00	1,333,333		7,704,682.50
08/01/2034	657,487.50	4,330,775.00			1,333,333		6,321,595.50
08/01/2035	656,775.00	4,302,650.00			1,333,333		6,292,758.00
08/01/2036		4,959,850.00			1,333,333		6,293,183.00
08/01/2037		2,818,050.00			1,333,333		4,151,383.00
08/01/2038		2,819,762.50			1,333,333		4,153,095.50
08/01/2039		2,822,437.50			1,333,333		4,155,770.50
08/01/2040		2,815,862.50			1,333,333		4,149,195.50
08/01/2041		2,820,250.00			1,333,333		4,153,583.00
08/01/2042		2,819,962.50			1,333,333		4,153,295.50
	31,963,910.28	60,983,140.00	9,780,025.00	6,664,013.06	29,999,994	390,000	139,781,082.34

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## ESCROW REQUIREMENTS

### Successor Agency to the Redevelopment Agency of the City of Hercules Tax Allocation Refunding Bonds, Series 2021

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### Market Conditions as of December 21, 2021 plus 25bps Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding 2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis 2007A Housing Bonds Refunded on a Taxable Basis

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Period Ending	Interest	Principal Redeemed	Total
05/16/2022	1,309,007.29	90,650,000.00	91,959,007.29
	1,309,007.29	90,650,000.00	91,959,007.29

#### Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## ESCROW COST

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
05/03/2022		91,959,007.29	91,959,007.29
	0	91,959,007.29	91,959,007.29

**Notes:**

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## ESCROW SUFFICIENCY

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
05/03/2022		91,959,007.29	91,959,007.29	91,959,007.29
05/16/2022	91,959,007.29		(91,959,007.29)	
	91,959,007.29	91,959,007.29	0.00	

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

**SUMMARY OF BONDS REFUNDED**

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Current Refunding of Tax Allocation Bonds, Series 2005  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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**PRI - Prior Debt**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, Series 2005, 2005A, TERM25:	08/01/2025	5.000%	6,285,000.00	05/16/2022	100.000
Tax Allocation Bonds, Series 2005, 2005A, TERM29:	08/01/2029	5.000%	7,635,000.00	05/16/2022	100.000
Tax Allocation Bonds, Series 2005, 2005A, TERM35:	08/01/2035	5.000%	10,250,000.00	05/16/2022	100.000
Tax Allocation Bonds, Series 2005, 2005A, T_ESCROW:	08/01/2035	4.750%	4,945,000.00	05/16/2022	100.000
			29,115,000.00		

**Notes:**

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SUMMARY OF BONDS REFUNDED

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Current Refunding of Tax Allocation Bonds, 2007 Series A  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

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**PRI - Prior Debt**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, 2007 Series A, 2007A, SERIALS:					
	08/01/2022	5.000%	1,140,000.00	05/16/2022	100.000
	08/01/2023	5.000%	1,170,000.00	05/16/2022	100.000
	08/01/2024	5.000%	1,200,000.00	05/16/2022	100.000
	08/01/2025	5.000%	1,235,000.00	05/16/2022	100.000
	08/01/2026	4.500%	1,265,000.00	05/16/2022	100.000
	08/01/2027	4.500%	1,295,000.00	05/16/2022	100.000
			7,305,000.00		
Tax Allocation Bonds, 2007 Series A, 2007A, TERM32:					
	08/01/2032	4.700%	6,925,000.00	05/16/2022	100.000
Tax Allocation Bonds, 2007 Series A, 2007A, TERM37A:					
	08/01/2037	4.625%	16,555,000.00	05/16/2022	100.000
Tax Allocation Bonds, 2007 Series A, 2007A, TERM37B:					
	08/01/2037	5.000%	500,000.00	05/16/2022	100.000
Tax Allocation Bonds, 2007 Series A, 2007A, TERM42A:					
	08/01/2042	4.750%	10,120,000.00	05/16/2022	100.000
Tax Allocation Bonds, 2007 Series A, 2007A, TERM42B:					
	08/01/2042	5.000%	5,000,000.00	05/16/2022	100.000
			46,405,000.00		

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

**SUMMARY OF BONDS REFUNDED**

**Successor Agency to the Redevelopment Agency of the City of Hercules  
Taxable Refunding of Housing Tax Allocation Bonds, 2007 Series A (Taxable)  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

\*\*\*\*\*

**PRI - Prior Debt**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Housing Tax Allocation Bonds, 2007 Series A (Taxable), 2007HTX, TERM22:					
	08/01/2022	6.000%	500,000.00	05/16/2022	100.000
Housing Tax Allocation Bonds, 2007 Series A (Taxable), 2007HTX, TERM33:					
	08/01/2033	6.125%	7,955,000.00	05/16/2022	100.000
			8,455,000.00		

**Notes:**

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

## SUMMARY OF BONDS REFUNDED

Successor Agency to the Redevelopment Agency of the City of Hercules  
 Current Refunding of Housing Tax Allocation Bonds, 2007 Series B  
 Tax Allocation Refunding Bonds, Series 2021

\*\*\*\*\*

Market Conditions as of December 21, 2021 plus 25bps  
 Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
 2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
 2007A Housing Bonds Refunded on a Taxable Basis

\*\*\*\*\*

PRI - Prior Debt

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Housing Tax Allocation Bonds, 2007 Series B, 2007B, SERIAL:					
	08/01/2022	4.500%	420,000.00	05/16/2022	100.000
Housing Tax Allocation Bonds, 2007 Series B, 2007B, TERM27:					
	08/01/2027	5.000%	2,435,000.00	05/16/2022	100.000
Housing Tax Allocation Bonds, 2007 Series B, 2007B, TERM30:					
	08/01/2030	4.800%	1,775,000.00	05/16/2022	100.000
Housing Tax Allocation Bonds, 2007 Series B, 2007B, TERM33:					
	08/01/2033	5.000%	2,045,000.00	05/16/2022	100.000
			6,675,000.00		

## Notes:

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

**UNDERWRITER EXCLUSION DISCLOSURE****Successor Agency to the Redevelopment Agency of the City of Hercules  
Tax Allocation Refunding Bonds, Series 2021**

\*\*\*\*\*

**Market Conditions as of December 21, 2021 plus 25bps  
Assumes 'BBB' Underlying S&P Rating, DSRF, and Proportional Refunding  
2005A, 2007A, & 2007B Housing Bonds Refunded on a Tax-Exempt Basis  
2007A Housing Bonds Refunded on a Taxable Basis**

\*\*\*\*\*

Stifel, Nicolaus & Company, Incorporated ('Stifel') has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stifel is providing all information and advice contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC's Municipal Advisor Rule, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

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**Notes:**

1. Preliminary and subject to change. The City's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
2. The use of the 'BBB' S&P rating is based on similar credits.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The costs of issuance and underwriter's discount are estimates for discussion purposes only.
5. Structured with cash-funded DSRF.

**INDENTURE OF TRUST**

**Dated as of \_\_\_\_ 1, 2022**

**by and between the**

**SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY**

**and**

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

**Relating to**

**\$ \_\_\_\_\_  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022A**

**\$ \_\_\_\_\_  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022B (FEDERALLY TAXABLE)**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of \_\_\_\_\_ 1, 2022, by and between the SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the “Successor Agency”), as successor to the redevelopment activities of the Hercules Redevelopment Agency (the “Former Agency”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

### WITNESSETH:

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

**WHEREAS**, an Amended and Restated Redevelopment Plan (the “Redevelopment Plan”) for the Merged Dynamite Redevelopment Project Area and Project Area No. 2 (the “Project Area”) of the Former Agency was adopted and amended from time to time pursuant to ordinances of the City of Hercules (the “City”) set forth in Exhibit B, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

**WHEREAS**, in order to finance and refinance redevelopment activities within or of benefit to the Project Area, the Former Agency issued certain outstanding obligations more fully described herein (collectively, the “Refunded Obligations”);

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

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

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

**WHEREAS**, the Successor Agency desires to refund the Refunded Obligations pursuant to California Health and Safety Code Section 34177.5 in order to achieve debt service savings;

**WHEREAS**, in order to provide moneys to refund the Refunded Obligations in accordance with California Health and Safety Code Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2022A (the “2022A Bonds”) and its Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable) (the “2022B Bonds” and, together with the 2022A Bonds, the “2022 Bonds”);

**WHEREAS**, the 2022 Bonds will be secured by a pledge of and lien on the Pledged Tax Revenues (defined herein), subject to (a) the payment by the County Auditor-Controller of certain amounts (i) to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, (ii) to the County pursuant to the County Agreement (defined below) (unless payments to the County under the County Agreement are subordinated to payments on the 2022 Bonds and Parity Debt), and (iii) to taxing entities pursuant to Sections 33607.5, 33607.7 and 33676 of the Law (unless such payments are subordinated to payments on the 2022 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act), and (b) the payment by the Successor Agency of amounts due under the Prior Agreements (defined herein);

**WHEREAS**, in order to provide for the authentication and delivery of the 2022 Bonds, to establish and declare the terms and conditions upon which the 2022 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

**WHEREAS**, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2022 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds (as defined below), including the 2022 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2022 Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds, including the 2022 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2022 Bonds, as follows:

## ARTICLE I

### DETERMINATIONS; DEFINITIONS

**Section 1.01 Findings and Determinations.** The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2022 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2022 Bonds in the manner and form provided in this Indenture.

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

**“Additional Allowance”** means, as the date of calculation, the amount of Pledged Tax Revenues which, as shown in the Report of an Independent Redevelopment Consultant, are estimated to be receivable by the Successor Agency as a result of increases in the assessed valuation of taxable property in the Project Area due to construction which has been completed or transfers of ownership that have occurred but are not yet 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 Project Area in any Fiscal Year is estimated to exceed the assessed valuation of taxable property in the Project Area (as reported by the County Auditor-Controller) for the Fiscal Year for which such calculation is made.

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

**“Bonds”** means the 2022 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

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

**“Bond Year”** means each twelve (12) month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2022 Bonds shall commence on the Closing Date and end on August 1, 2022.

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

**“City”** means the City of Hercules.

**“Closing Date”** means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2022 Bonds is \_\_\_\_\_, 2022.

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

**“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate, with respect to the 2022 Bonds, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

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

**“County”** means Contra Costa County.

**“County Agreement”** means that certain Agreement between the Former Agency and the County providing assurances of tax increment limitations, dated as of November 23, 1983, as amended by that certain First Amendment to County Agreement, dated June 5, 2001, and as further amended and as further amended and subordinated (in part) by that certain Amended and Restated Subordination Agreement by and between the Successor Agency and the County, dated as of June 28, 2014.

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

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

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

(a) Cash;

(b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;

(c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;

(d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and

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

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

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

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

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

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

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

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

**“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance

with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

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

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

**“Former Agency”** means the Hercules Redevelopment Agency.

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

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

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

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

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

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

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

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

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

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

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

**“Insurer”** means the 2022 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to other Bonds.

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

**“Interest Payment Date”** means each February 1 and August 1, commencing \_\_\_\_\_ 1, 2022, for so long as any of the Bonds remain Outstanding hereunder.

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

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

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

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

**“Outstanding”** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.04) all Bonds except:

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

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

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

**“Oversight Board”** means the Contra Costa County Countywide Oversight Board established pursuant to Section 34179 of the Dissolution Act.

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

**“Parity Debt”** means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2022 Bonds pursuant to Section 3.04, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

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

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

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

(a) Federal Securities;

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

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

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

(e) Unsecured certificates of deposit (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase “A-1+” or better by S&P and “P-1” by Moody’s and or certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody’s and Fitch;

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

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

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

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

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

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

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

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

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

**“Principal Corporate Trust Office”** means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

**["Prior Agreements"]** means the Successor Agency's obligations under (i) that certain Disposition, Development and Loan Agreement, dated November 15, 1996, between the Former Agency and Bridge Housing Corporation of Hercules Senior Housing Development and (ii) that certain Settlement Agreement, Mutual General Release and Amendment to Development and Owner Participation Agreement, dated as of April 23, 2010, by and between Hercules LLC, Catellus Residential Group, the City and the Former Agency.]

**“Project Area”** means the Merged Project Area adopted pursuant to the Redevelopment Plans and Ordinances described in Exhibit B.

**“Qualified Reserve Account Credit Instrument”** means (i) the 2022 Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee with respect to other Bonds, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody's have assigned a long-term credit rating to such bank or insurance company at the time of issuance of such Qualified Reserve Account Credit Instrument of “A” (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to the Bonds with respect to which it is deposited or with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

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

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

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

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

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

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

**“Refunded Obligations”** means, collectively, the 2005 Bonds, the 2007 Bonds, the 2007A Housing Bonds and the 2007B Housing Bonds.

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

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

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

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

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

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

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

**“Reserve Requirement”** means, subject to Section 4.03(c) of this Indenture, with respect to the 2022 Bonds or any series (or multiple series) of Parity Debt for which a debt service reserve account or fund is to be funded and as of any date of computation, the lesser of:

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

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

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

provided, that in no event shall the Successor Agency, in connection with the issuance or incurrence of Parity Debt be obligated to deposit an amount in the Reserve Account which is in excess of the

amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof. For the avoidance of doubt, the Reserve Requirement for any Bonds may, at the option and instruction of the Successor Agency, be determined on a combined or standalone basis. As of the Closing Date, the Reserve Requirement for the 2022 Bonds is \$\_\_\_\_\_; the Reserve Requirement for the 2022 Bonds shall not increase following the Closing Date. The Trustee shall not be under any obligation to determine or compute whether or to what extent any amount on deposit or required to be on deposit in the Reserve Account in connection with an issuance of Parity Debt is in excess of the amount permitted by applicable provisions of the Code to be so deposited without yield restriction, as provided in this definition.

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

**“S&P”** means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or any successor thereto.

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

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

**“State”** means the State of California.

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

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

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

**“2005 Bonds”** means the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005.

**“2005 Bonds Escrow Agreement”** means that certain Escrow Agreement (2005 Bonds) dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and the Escrow Bank, relating to the 2005 Bonds.

**“2007 Bonds”** means the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A.

**“2007 Bonds Escrow Agreement”** means that certain Escrow Agreement (2007 Bonds) dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and the Escrow Bank, relating to the 2007 Bonds.

**“2007A Housing Bonds”** means the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable).

**“2007A Housing Bonds Escrow Agreement”** means that certain Escrow Agreement (2007A Housing Bonds) dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and the Escrow Bank, relating to the 2007A Housing Bonds.

**“2007B Housing Bonds”** means the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B.

**“2007B Housing Bonds Escrow Agreement”** means that certain Escrow Agreement (2007B Housing Bonds) dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and the Escrow Bank, relating to the 2007B Housing Bonds.

**“2022 Bonds”** means, collectively, the 2022A Bonds and the 2022B Bonds.

**“2022A Bonds”** means the \$\_\_\_\_\_ initial aggregate principal amount of Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022A.

**“2022B Bonds”** means the \$\_\_\_\_\_ initial aggregate principal amount of Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable).

**“2022 Insurance Policy”** means the insurance policy issued by the 2022 Insurer guaranteeing the scheduled payment of principal of and interest on the 2022 Bonds when due.]

**“2022 Insurer”** means \_\_\_\_\_, or any successor thereto or assignee thereof.]

**“2022 Reserve Policy”** means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2022 Insurer guaranteeing certain payments into the Reserve Account with respect to the 2022 Bonds as provided therein and subject to the limitation set forth therein.]

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

## ARTICLE II

### AUTHORIZATION AND TERMS

**Section 2.01 Authorization of 2022 Bonds.** Two initial series of Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. Such initial issues of Bonds shall be designated the "Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022A," issued in the initial aggregate principal amount of \$\_\_\_\_\_, and the "Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable)," issued in the initial aggregate principal amount of \$\_\_\_\_\_.

#### **Section 2.02 Terms of 2022 Bonds.**

(a) The 2022A Bonds shall be issued in fully registered form without coupons. The 2022A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2022A Bond shall have more than one maturity date. The 2022A Bonds shall be dated as of their Closing Date. The 2022A Bonds shall be lettered and numbered as the Participating Underwriter shall prescribe.

The 2022A Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i><b>Maturity Date (August 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>
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(b) The 2022B Bonds shall be issued in fully registered form without coupons. The 2022B Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2022B Bond shall have more than one maturity date. The 2022B Bonds shall be dated as of their Closing Date. The 2022B Bonds shall be lettered and numbered as the Participating Underwriter shall prescribe.

The 2022B Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i><b>Maturity Date (August 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>
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(c) Each 2022 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before \_\_\_\_ 15, 2022, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2022 Bond, interest thereon is in default, such 2022 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2022 Bonds (including the final interest payment upon maturity or redemption) is payable when due by wire or check of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of 2022 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2022 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2022 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

### **Section 2.03 Redemption of 2022 Bonds.**

(a) Optional Redemption of 2022A Bonds. The 2022A Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022A Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium. Any such optional redemption of the

2022A Bonds shall be at the election of the Successor Agency, which shall give written notice thereof to the Trustee (which notice shall include the principal amount of 2022A Bonds to be optionally redeemed together with the redemption date) no later than five (5) Business Days prior to the date when the Trustee is required to give notice of such optional redemption pursuant to Section 2.03(e).

(b) Optional Redemption of 2022B Bonds. The 2022B Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022B Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium. Any such optional redemption of the 2022B Bonds shall be at the election of the Successor Agency, which shall give written notice thereof to the Trustee (which notice shall include the principal amount of 2022B Bonds to be optionally redeemed together with the redemption date) no later than five (5) Business Days prior to the date when the Trustee is required to give notice of such optional redemption pursuant to Section 2.03(e).

(c) Mandatory Sinking Fund Redemption of 2022A Bonds. The 2022A Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the "2022A Term Bonds") shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022A Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(k), and (z) if some but not all of such 2022A Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

**2022A Term Bonds of 20\_\_**

*August 1*

*Principal Amount*

**2022A Term Bonds of 20\_\_**

*August 1*

*Principal Amount*

(d) Mandatory Sinking Fund Redemption of 2022B Bonds. The 2022B Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the “2022B Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022B Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(k), and (z) if some but not all of such 2022B Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

**2022B Term Bonds of 20\_\_**

*August 1*

*Principal Amount*

**2022B Term Bonds of 20\_\_**

*August 1*

*Principal Amount*

(e) Notice of Redemption; Rescission. Subject to its timely receipt of notice from the Successor Agency of its election to optionally redeem the 2022 Bonds, in the case of an optional redemption pursuant to Section 2.03(a) or Section 2.03(b), the Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to any Insurer and to the Owners of any Bonds designated for redemption at their respective addresses

appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) or (b) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that (subject to timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account) further interest on such Bonds will not accrue from and after the redemption date, and that 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, as provided in Section 2.03(f).

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

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

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

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

(j) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee

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

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

**Section 2.04 Form of 2022 Bonds.** The 2022 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

**Section 2.05 Execution of Bonds.** The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or his or her written designee and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Signatures on the Bonds on behalf of the Successor Agency required by this Section may be made manually or may be affixed by facsimile thereof.

**Section 2.06 Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and

deliver to the transferee a new Bond or Bonds of like series, tenor, maturity and aggregate principal amount of authorized denominations. The Holder requesting such transfer shall as a condition precedent to the exercise of the privilege of making such transfer remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**Section 2.07 Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same series, tenor and maturity and of other authorized denominations. The Holder requesting such exchange shall as a condition precedent to the exercise of the privilege of making such exchange remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

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

**Section 2.08 Registration of Bonds.** The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection and copying by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for

such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

**Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and Successor Agency and indemnity satisfactory to the Trustee and Successor Agency shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

**Section 2.10 Book-Entry System.**

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

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute

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

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

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

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

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

### **ARTICLE III**

#### **DEPOSIT AND APPLICATION; ADDITIONAL DEBT**

**Section 3.01 Issuance of Bonds.** Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the 2022A Bonds in the aggregate principal amount of \$\_\_\_\_\_ and the 2022B Bonds in the aggregate principal amount of \$\_\_\_\_\_ and the Trustee shall authenticate and deliver the 2022 Bonds upon the Written Request of the Successor Agency.

**Section 3.02 Application of Proceeds of Sale and Certain Other Amounts.**

(a) On the Closing Date the proceeds of sale of the 2022A Bonds received by the Trustee shall be applied as follows:

(i) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the 2022A Account of the Costs of Issuance Fund.

(ii) The Trustee shall transfer \$\_\_\_\_\_ to the Escrow Bank for deposit into the escrow fund established under the 2005 Bonds Escrow Agreement.

(iii) The Trustee shall transfer \$\_\_\_\_\_ to the Escrow Bank for deposit into the escrow fund established under the 2007 Bonds Escrow Agreement.

(iv) The Trustee shall transfer \$\_\_\_\_\_ to the Escrow Bank for deposit into the escrow fund established under the 2007B Housing Bonds Escrow Agreement.

(b) On the Closing Date the proceeds of sale of the 2022B Bonds received by the Trustee shall be applied as follows:

(i) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the 2022B Account of the Costs of Issuance Fund.

(ii) The Trustee shall transfer \$\_\_\_\_\_ to the Escrow Bank for deposit into the escrow fund established under the 2007A Housing Bonds Escrow Agreement.

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

**Section 3.03 Costs of Issuance Fund.** There is hereby established a separate fund to be known as the "Costs of Issuance Fund" and a 2022A Account and a 2022B Account therein, which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2022 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom

payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts and shall be fully protected in relying thereon. On the date which is six (6) months following the Closing Date with respect to the 2022 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the 2022A Account of the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the 2022A Account of the Interest Account within the Debt Service Fund, all amounts (if any) remaining in the 2022B Account of the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the 2022B Account of the Interest Account within the Debt Service Fund, and the Costs of Issuance Fund and accounts therein shall be closed.

**Section 3.04 Issuance of Parity Debt.** In addition to the 2022 Bonds, the Successor Agency may issue Parity Debt to refund any outstanding 2022 Bonds, Parity Debt or the Prior Agreements for savings, in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

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

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

(c) A Supplemental Indenture or Parity Debt Instrument shall have been adopted which shall (i) state the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Parity Debt in a separate account of the Reserve Account or other debt service reserve account or fund as provided in such Supplemental Indenture or Parity Debt Instrument, to be held as separate security for such series of Parity Debt; (ii) designate accounts and subaccounts within the Debt Service Fund, including within the Reserve Account if applicable, to be used in connection with such Parity Debt; and (iii) set forth such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(d) With respect to Parity Debt issued to refund all or a portion of the Prior Agreements, the Pledged Tax Revenues for the then current Fiscal Year plus, at the option of the Successor Agency, the Additional Allowance as set forth in a Written Certificate of the Successor Agency filed with the Trustee, shall be equal to [one hundred twenty-five percent (125%)] of Maximum Annual Debt Service on all Bonds and Parity Debt (including any Policy Costs owed to the 2022 Insurer) which will be Outstanding following the issuance of such Parity Debt; and

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

**Section 3.05 Issuance of Subordinate Debt.** Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2022 Bonds and Parity Debt.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS

**Section 4.01 Security of Bonds; Equal Security.** Subject to the provisions of Section 4.02 and Section 6.06 hereof allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund are irrevocably pledged under this Indenture to secure the payment of the principal of and interest on the 2022 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, the parties hereto acknowledge that the County Auditor-Controller is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to the County pursuant to the County Agreement and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2022 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or 34177.5(c) of the Dissolution Act), and provided further that the Successor Agency is required to make payments from Pledged Tax Revenues under the Prior Agreements on a basis senior to the 2022 Bonds. Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2022 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2022 Bonds and other Bonds.

The Debt Service Fund and any fund or account or sub-accounts created under this Indenture (other than the Costs of Issuance Fund and the Rebate Fund), including amounts on deposit therein (including proceeds of the 2022 Bonds), are irrevocably pledged under this Indenture to secure the payment of the principal of and interest on the 2022 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture, and including amounts on deposit therein (including proceeds of the 2022 Bonds), and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture, subject to Section 6.06.

The parties acknowledge that Section 34177.5(g) of the Dissolution Act provides that the 2022 Bonds and Parity Debt are further secured by a pledge of, and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the County Auditor Controller related to the Successor Agency, which moneys, subject to (i) the payment by the County Auditor Controller of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, to the County pursuant to the County Agreement and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2022 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or

Section 34177.5(c) of the Dissolution Act), and (ii) the payment by the Successor Agency of amounts due under the Prior Agreements, constitute Pledged Tax Revenues as defined herein.

In consideration of the acceptance of the 2022 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2022 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2022 Bonds and other Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

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

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

**Section 4.03 Deposit of Amounts by Trustee.** There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. If Parity Debt is issued under a Supplemental Indenture, the Trustee shall establish subaccounts within each account for each issue of Parity Debt, including a separate subaccount of the Reserve Account as security for Parity Debt pursuant to and as provided in a Supplemental Indenture to the extent provided under Section 3.04 hereof, if applicable. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2022 Bonds, the Successor Agency shall immediately notify the Trustee of the amount

of any such insufficiency and the Trustee shall deposit amounts received from the Successor Agency into sub-accounts of the Interest Account and/or Principal Account, as applicable, on a pro-rata basis):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of \_\_\_\_ 1, 2022 (with respect to the 2022 Bonds), the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable. The Trustee shall establish sub-accounts within the Interest Account for the payment of interest due on the 2022 Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.

(b) Principal Account. On or before the fifth (5th) Business Day preceding August 1 in each year beginning August 1, [2022] (with respect to the 2022 Bonds), the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, including by mandatory sinking account redemption, as the same shall become due and payable. The Trustee may establish sub-accounts within the Principal Account for the payment of principal due on the 2022 Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments of 2022 Bonds payable by the Successor Agency pursuant to this Section 4.03 which shall in each case be held by the Trustee in trust for the benefit of the Owners of the 2022 Bonds, provided separate subaccounts may be established in the Reserve Account as separate security for any future issue of Parity Debt. [The Reserve Requirement for the 2022 Bonds (calculated on a standalone basis) will be satisfied by the delivery of the 2022 Reserve Policy by the 2022 Insurer on the Closing Date with respect to the 2022 Bonds. The Successor Agency will have no obligation to replace the 2022 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2022 Bonds are Outstanding, any rating assigned to the 2022 Insurer is downgraded, suspended or withdrawn or amounts are not available under the 2022 Reserve Policy, other than in connection with a draw on the 2022 Reserve Policy.]

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

shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the applicable Reserve Account.

The amounts available under the 2022 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2022 Bonds.

Moneys, if any, on deposit in the Reserve Account (or the applicable subaccount therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the 2022 Bonds (or the applicable account therein, respectively). The Trustee shall compute the Reserve Requirement annually on or before August 1.

In no event shall amounts in the Reserve Account (exclusive of subaccounts therein, which shall be applied in accordance with the terms of the Supplemental Indenture providing for Parity Debt) be applied to payment of any Bonds or Parity Debt other than 2022 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the applicable series of Bonds in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and hereunder to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Account or subaccount thereof in excess of the applicable Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each February 1 and August 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. On the Business Day preceding the final Interest Payment Date for a series of Bonds (or multiple series of Bonds issued under this Indenture or a single Parity Debt Instrument), all amounts held in the applicable subaccount of the Reserve Account shall be withdrawn from the Reserve Account and shall be transferred to the applicable subaccounts of the Interest Account and the Principal Account, in such order, for such series of Bonds, to the extent required to make the deposits then required to be made pursuant to this Section 4.03, or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account or subaccount thereof, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the

amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account or subaccount thereof to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with the terms of any such Qualified Reserve Account Credit Instrument delivered to and accepted by it, as may be applicable to it and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the applicable Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues. If the applicable Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture shall be pro-rata with respect to each such instrument.

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

**Section 4.04 Rebate Fund.** The Trustee shall establish a separate fund for the 2022A Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2022A Bonds will not be adversely affected, the Successor Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the 2022A Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the 2022A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Successor Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Successor Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Bond Year with respect to the 2022A Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the

temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Bond Year with respect to the 2022A Bonds, upon the Finance Director's written direction, an amount shall be deposited to the Rebate Fund by the Successor Agency from any legally available funds, which may include transfer thereto from other funds and accounts established herein upon and pursuant to instruction of the Successor Agency to the Trustee (and provided that such transfer is permitted by the terms hereof applicable to such other fund or account), so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.04(a). In the event that immediately following the deposit or transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Director, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

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

(X) Not later than 60 days after the end of (A) the fifth Bond Year with respect to the 2022A Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than 60 days after the payment of all the 2022A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

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

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2022A Bonds and the payments described in Section 4.04(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.04 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the 2022A Bonds and any Parity Debt.

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

**Section 4.05 [Provisions Relating to 2022 Insurance Policy].**

**Section 4.06 [Provisions Relating to 2022 Reserve Policy].**

**ARTICLE V**

**OTHER COVENANTS OF THE SUCCESSOR AGENCY**

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

**Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances.** The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues (i) on a basis senior to the Bonds or (ii) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds, other Parity Debt or the Prior Agreements, and then only if the requirements of Section 3.04 are met. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

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

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

**Section 5.05 Books and Accounts; Financial Statements.** The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2022 Insurer, any other Insurer and the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, on or before each April 1 so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2022 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. The Trustee shall have no obligation to review, verify or analyze any financial statements provided to it by the Successor Agency and shall hold such financial statement solely as a repository for the benefit of the Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein, or default or Event of Default which may be disclosed therein in any manner.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2022 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2022 Insurer may reasonably request.

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

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

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

**Section 5.09 Disposition of Property.** The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2022 Bonds) so that such disposition

shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition. This Section 5.09 shall not apply to the disposition of properties to the City pursuant to the Successor Agency's Long Range Property Management Plan prepared pursuant to Health and Safety Code Section 34191.4.

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

**Section 5.11 Tax Covenants.** In connection with the 2022A Bonds, the Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the 2022A Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the 2022A Bonds and Parity Debt issued on a tax-exempt basis will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the 2022A Bonds or Parity Debt issued on a tax-exempt basis or of any other monies or property which would cause the 2022A Bonds or Parity Debt to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The Successor Agency will make no use of the proceeds of the 2022A Bonds or Parity Debt issued on a tax-exempt basis or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the 2022A Bonds or Parity Debt issued on a tax-exempt basis to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The Successor Agency will make no use of the proceeds of the 2022A Bonds or Parity Debt issued on a tax-exempt basis or take or omit to take any action that would cause the 2022A Bonds or the Parity Debt issued on a tax-exempt basis to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

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

(e) Hedge Bonds. The Successor Agency will make no use of the proceeds of the 2022A Bonds or any Parity Debt issued on a tax-exempt basis or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any 2022 Bonds or the Parity Debt issued on a tax-exempt basis to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2022A Bonds and any Parity Debt issued on a tax-exempt basis for federal income tax purposes; and

(f) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of 2022A Bonds and Parity Debt issued on a tax-exempt basis and will comply with the covenants and requirements stated therein and incorporated by reference herein.

**Section 5.12 Continuing Disclosure.** The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding 2022 Bonds, shall, but only to the extent the Trustee has been indemnified to its satisfaction from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Section 5.13 Compliance with the Dissolution Act.**

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

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

(i) scheduled debt service on the 2022 Bonds and any Parity Debt and any amount required under this Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument,

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

(iii) amounts due under the Prior Agreements,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts

required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period, to pay amounts owed to any Insurer, as well as the other amounts set forth above.

(b) In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller that shall include, from the first Pledged Tax Revenues distributed to the Successor Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to prior payments described in Section 4.01): (i) all debt service due on all Outstanding 2022 Bonds and Parity Debt coming due during such Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the 2022 Insurer hereunder or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2022 Insurer hereunder or to any other Insurer). The Successor Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest coming due during the applicable Bond Year from the RPTTF moneys to be distributed to the Successor Agency on the January 2 of such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the RPTTF on June 1 during such Bond Year.

(c) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2022 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2022 Bonds and other Parity Debt and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one half of the debt service due during each Bond Year on all Outstanding Bonds prior to February 1 of such calendar year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding August 1.

(d) [So long as the 2022 Bonds are Outstanding and the 2022 Insurer is not in default under the 2022 Insurance Policy or the 2022 Reserve Policy, in the event the Successor Agency fails to provide the Oversight Board or the Department of Finance with a Recognized Obligation Payment Schedule by the statutory deadlines, the Successor Agency designates the 2022 Insurer as its attorney-in-fact with the power to make such a request relating to the 2022 Bonds; provided however, that the 2022 Insurer will provide a copy of such request to the Successor Agency prior to such submission. With respect to Recognized Obligation Payment Schedules, if any amounts payable to the 2022 Insurer are not included on the then current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to the extent permitted by law.]

**Section 5.14 Further Assurances.** The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and

for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

**Section 5.15 Last and Final Recognized Obligation Payment Schedule.** [As long as the 2022 Bonds are Outstanding and the 2022 Insurer is not in default under the 2022 Reserve Policy or the 2022 Insurance Policy, the Successor Agency will not submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the California Health and Safety Code without the prior written consent of the 2022 Insurer, unless all amounts that could become due and payable to the 2022 Insurer under this Indenture would be included as a line item on the last and final Recognized Obligation Payment Schedule following approval of the requested final amendment.]

**Section 5.16 Meet and Confer; Recognized Obligation Payment Schedule.** [So long as the 2022 Bonds are Outstanding, the Successor Agency shall provide the 2022 Insurer with copies of all Recognized Obligation Payment Schedules submitted and any and all correspondence received from the Department of Finance relating to or which could affect payments on the Bonds upon receipt, except for requests for copies of agreements or other supporting documentation by the Department of Finance to support a Recognized Obligation Payment Schedule submitted by the Successor Agency. Documents posted by the Department of Finance under their existing procedures on the Department of Finance website shall meet this requirement. In the event that the Successor Agency is a party to a meet and confer with the Department of Finance that relates to the payment of debt service on or security for the 2022 Bonds or Policy Costs, the Successor Agency shall notify the 2022 Insurer and, if the subject of the meet and confer could prevent timely payment of or impair the security for the 2022 Bonds or Policy Costs, the 2022 Insurer shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as the Insurer determines in its discretion. In the event the Successor Agency receives a Recognized Obligation Payment Schedule denial, whether relating to the 2022 Bonds or not, and such denial could prevent timely and full payment of debt service on the 2022 Bonds, the Successor Agency agrees to cooperate in good faith with the 2022 Insurer and the 2022 Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the Department of Finance and to discuss such matters with the Department of Finance directly.]

## **ARTICLE VI**

### **THE TRUSTEE**

#### **Section 6.01 Duties, Immunities and Liabilities of Trustee.**

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

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

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners and any Insurer notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing, with notice of such appointment to be furnished to any Insurer. Such removal shall be accomplished by the giving of at least thirty (30) days written notice of such removal by the Successor Agency to the Trustee whereupon the Successor Agency shall immediately appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee and after being paid its fees and expenses then due and owing to it, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall cause the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which

then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall promptly give written notice thereof, by first-class mail to the any Insurer and the Owner of each such Bond, unless such Event of Default shall have been cured or waived before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice. Such notice of Event of Default shall include the statements required by the third paragraph of Section 8.01(d), as applicable.

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

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

### **Section 6.03 Liability of Trustee.**

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

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

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

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

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

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

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

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

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

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

(i) Before taking any action under Article VIII or this Article at the request of the Owners or any Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Insurer for the reimbursement of all expenses to which it may be put (including without limitation associated attorneys' fees and expenses) and to protect it against all liability, except liability which is finally adjudicated by a court of competent jurisdiction to have resulted from its negligence or willful misconduct in connection with any action so taken.

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

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

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

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

(m) The Trustee shall not be liable for special, indirect, punitive, or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

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

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

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

**Section 6.05 Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Successor Agency and any Insurer and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions. Delivery of reports or other documents to the Trustee shall not be deemed to constitute or impose actual or constructive notice or knowledge on the part of the Trustee, and such reports and documents may simply be held to be made available for inspection by Owners of Bonds.

**Section 6.06 Compensation and Indemnification.** The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also

all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including outside counsel and the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including outside counsel and the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), and all indemnities provided to the Trustee herein, and such lien shall be a senior claim to that of the Bondholders and any other party as further provided in Section 8.02. In addition, and without prejudice to any other provision, fees, costs and expenses paid or incurred by Trustee in providing services after an Event of Default, together with its compensation for such services, are intended to constitute expenses of administration under any applicable federal, state or other applicable bankruptcy, insolvency or other similar law.

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

**Section 6.07 Deposit and Investment of Moneys in Funds.** Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least two (2) Business Days in advance of the making of such investments, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State and is a Permitted Investment in which the Successor Authority is authorized to invest, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account (pro-rata among sub-accounts); *provided, however*, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the

Reserve Requirement. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

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

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

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

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

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

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

(c) to provide for the issuance of Parity Debt in accordance with Section 3.04; or

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

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

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

In addition, except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of each Insurer (but only with respect to any Bonds insured by such Insurer) and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture adversely affect the security for the Bonds or modify any of the rights or obligations of any Insurer without its prior written consent. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the 2022 Bonds or

the rights of the Owners of the 2022 Bonds, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no 2022 Insurance Policy.

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

**Section 7.03 Endorsement or Replacement of Bonds After Amendment.** After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may, with the prior written consent of any Insurer, determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

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

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

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

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

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

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

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

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

If an Event of Default has occurred under this Section and is continuing, the Trustee may, with the consent of the 2022 Insurer (so long as any 2022 Bonds are Outstanding), and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and

(z) subject to the provisions of Section 6.03(i) and Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity, including an action in mandamus.

Promptly upon receiving written notice or actual knowledge of the occurrence of an Event of Default (which has not been cured or waived), the Trustee shall give notice of such Event of Default to each Insurer and to the Successor Agency as provided in and subject to the terms of Section 6.01(e). Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

Any such declaration that the principal of the Bonds, together with the accrued interest thereon, is to be due and payable immediately is subject, however, to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the fees and expenses or its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to any Insurer and the Owners of all Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds then Outstanding, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

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

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including outside counsel and the allocated costs and

disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and advisors and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the 2022 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding 2022 Bonds or Parity Debt (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the 2022 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest; and

Third, to the payment of amounts required to restore the Reserve Account to the Reserve Requirement and to repay any amounts owed to the 2022 Insurer in connection with a draw on the 2022 Reserve Policy.

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

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

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

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the

written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

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

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

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

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

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

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

## ARTICLE IX

### MISCELLANEOUS

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

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

**Section 9.03 Successor is Deemed Included in All References to Predecessor.** Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 9.04 Discharge of Indenture.**

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

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

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

(iii) by irrevocably depositing with the Trustee in trust or an escrow agent, Defeasance Obligations in such amount as an Independent Accountant shall determine (as evidenced by a verification report prepared and delivered by such Independent Accountant certifying such determination) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture or on deposit with such escrow agent,

be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other amounts, funds and accounts described in Section 4.01 hereof and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

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

[To the extent that any of the Bonds to be defeased are 2022 Bonds, at least three Business Days prior to any defeasance, the Successor Agency shall deliver to the 2022 Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of such 2022 Bonds, and a verification report (a "Verification Report") prepared by an Independent Accountant regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to such Insurer and the opinion, escrow agreement and Verification Report shall be in form and substance satisfactory to the 2022 Insurer.]

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

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

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person

signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

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

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

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

**Section 9.07 Waiver of Personal Liability.** No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

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

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

If to the Successor Agency:	Successor Agency to the Hercules Redevelopment Agency 111 Civic Drive Hercules, CA 94547 Attention: Executive Director
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If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 500 Los Angeles, CA 90071 Attention: Corporate Trust Department
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If to the Insurer:

[\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_]

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

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

**Section 9.11 Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

**Section 9.12 Execution in Counterparts; Electronic Delivery of Signatures.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Signatures appearing on any counterpart of this Indenture may be delivered by facsimile transmission or by electronic delivery in PDF format, which transmission or delivery shall be deemed delivery of an originally executed document.

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

**Section 9.14 OFAC Compliance.** The Successor Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively “Sanctions”). The Successor Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or

officers will use any payments made pursuant to this Indenture, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

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

SUCCESSOR AGENCY TO THE HERCULES  
REDEVELOPMENT AGENCY

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

ATTEST:

\_\_\_\_\_  
Secretary

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

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

## FORM OF BOND

**SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BOND, SERIES [2022A] [2022B (FEDERALLY  
TAXABLE)]**

PRINCIPAL SUM: DOLLARS

A-1

request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series [2022A] [2022B (Federally Taxable)]” (the “2022[A][B] Bonds”), of an aggregate principal amount of \$ \_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of the Refunding Law, the Dissolution Act, and the Law (as such terms are defined in the Indenture), and pursuant to an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022, entered into by and between the Successor Agency and the Trustee (the “Indenture”). Concurrently with the issuance of the 2022[A][B] Bonds, the Successor Agency will issue the Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series [2022A] [2022B (Federally Taxable)] (the “2022[A][B] Bonds”) and together with the Series 2022[A][B] Bonds, the “Bonds”) pursuant to the terms of the Indenture. The 2022[A][B] Bonds constitute Bonds and are secured on a parity with other Bonds and Parity Debt under the Indenture.

The Bonds are being issued in the form of registered Bonds without coupons. Additional Parity Debt may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Refunding Law, the Dissolution Act, and the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

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

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

There has been created, and will be maintained by, the Successor Agency the Special Fund into which Pledged Tax Revenues deposited by the Auditor-Controller of Contra Costa County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the

interest and redemption premium, if any, on the Bonds and any Parity Debt (as defined in the Indenture).

[The 2022[A][B] Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as provided in the Indenture.]

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

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

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

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

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

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

ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt, liability or obligation of the City of Hercules, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

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

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

IN WITNESS WHEREOF, the Successor Agency to the Hercules Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY

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

ATTEST:

\_\_\_\_\_  
Secretary

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

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

Authentication Date: \_\_\_\_\_, 2022 .

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

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

[FORM OF ASSIGNMENT]

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

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

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

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney,

to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

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

Signatures Guaranteed:

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

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

**EXHIBIT B**  
**REDEVELOPMENT PLAN**

**Dynamite Project Area**

The redevelopment plan for the Dynamite Project Area was adopted by Ordinance No. 181 on November 30, 1983 and was amended on April 26, 1994 by Ordinance No. 325 and on February 27, 1996 by Ordinance No. 333.

**Project Area No. 2**

The redevelopment plan for Project Area No. 2 was adopted on April 13, 1999 by Ordinance No. 351.

**Merged Project Area**

On February 13, 2001, the City Council adopted Ordinance No. 33 merging and amending the redevelopment plans for the Dynamite Project Area and Project Area No. 2 to create the Merged Project Area. On March 8, 2005, the City Council adopted Ordinance No. 403 amending the Redevelopment Plan to increase the tax increment limit for the Dynamite Project Area portion of the Merged Project Area, eliminate the time limit on incurring indebtedness for the Project Area No. 2 portion of the Merged Project Area, and to combine the bond indebtedness for the Dynamite Project Area and Project Area No. 2 portions of the Merged Project Area. On June 9, 2009, the City Council adopted Ordinance No. 450 amending the Redevelopment Plan to add approximately 53 acres of territory to the Merged Project Area, extend the time limits on effectiveness, payment of indebtedness and receipt of property taxes for an additional 10 years, and reinstate eminent domain authority for a period of 12 years.

**ESCROW AGREEMENT (\_\_\_\_ BONDS)**

This ESCROW AGREEMENT (the "Agreement"), dated as of \_\_\_\_ 1, 2022, is by and between the Successor Agency to the Hercules Redevelopment Agency (the "Agency"), as successor to the Hercules Redevelopment Agency (the "Prior Agency"), and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in Los Angeles, California, and being qualified to accept and administer the escrow hereby created (acting in such capacity, the "Escrow Bank").

*WITNESSETH:*

WHEREAS, pursuant to an Indenture of Trust dated as of \_\_\_\_ (the "Prior Indenture"), by and between the Prior Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (acting in such capacity, the "Prior Trustee"), the Prior Agency issued its [REFUNDED BOND SERIES] (the "Refunded Bonds"); and

WHEREAS, pursuant to an Indenture of Trust dated as of \_\_\_\_ 1, 2022 (the "Indenture"), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (acting in such capacity, the "Refunding Bonds Trustee"), the Agency issued its Tax Allocation Refunding Bonds, Series 2022A (the "Refunding Bonds"), for the purpose of providing moneys which, together with certain other amounts held under the Prior Indenture, will be sufficient to pay on \_\_\_\_, 2022 (the "Redemption Date"), the principal of the Refunded Bonds maturing after the Redemption Date at a redemption price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium (the "Redemption Price"); and

WHEREAS, a portion of the proceeds of the Refunding Bonds shall be set aside in order to provide for the payment of the Refunded Bonds and such proceeds shall be deposited in a special escrow fund to be created hereunder and maintained by the Escrow Bank (the "Escrow Fund"); and

WHEREAS, the Agency has taken action to cause to be delivered to the Escrow Bank, for deposit in the Escrow Fund, proceeds of the Refunding Bonds in an amount which, together with the cash deposits described herein, is intended by the Agency to be sufficient to redeem the Refunded Bonds maturing on and after \_\_\_\_ on the Redemption Date at the Redemption Price;

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

Section 1. Establishment, Funding and Maintenance of Escrow Fund. The Escrow Bank agrees to establish and maintain the Escrow Fund until final payment of the Refunded Bonds has been paid in full and to hold the moneys therein at all times as a special and separate escrow fund (wholly segregated from all other moneys on deposit with the Escrow Bank). The Agency hereby instructs the Prior Trustee to transfer \$\_\_\_\_\_ from the funds and accounts maintained with respect to the Refunded Bonds pursuant to the Prior Indenture to the Escrow Bank for deposit in the Escrow Fund. The Agency hereby instructs the Escrow Bank to deposit \$\_\_\_\_\_ received from the Agency, representing amounts received from the Redevelopment Property Tax Trust Fund \_\_\_\_, 20\_\_ distribution, into the Escrow Fund. The Agency hereby instructs the Escrow Bank to deposit \$\_\_\_\_\_ received from the Refunding Bonds Trustee from a portion of the net proceeds of the sale of the Refunding Bonds into the Escrow Fund. The Escrow Bank shall hold all such amounts uninvested in cash.

Section 2. Payment of the Refunded Bonds. The Agency hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the amounts deposited pursuant to Section 1 hereof and to transfer all such amounts to the Prior Trustee for the payment of the Refunded Bonds at the places and in the manner stipulated in the Refunded Bonds and in the Prior Indenture. The Prior Trustee hereby confirms that it provided the Notice of Redemption in the form attached hereto as Schedule B on \_\_\_\_, 20\_\_, pursuant to Section 2.04(b)(3) of the Prior Indenture, in accordance with instructions previously delivered by the Agency to the Prior Trustee. The Agency hereby irrevocably instructs the Prior Trustee to (i) provide the Notice of Defeasance in substantially the form set forth in Schedule A hereto, and (ii) file such Notice of Defeasance with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the internet at <http://emma.msrb.org/>. In accordance with Sections 2.03 and 9.03 of the Prior Indenture, the Escrow Bank is irrevocably instructed to redeem the Refunded Bonds maturing on and after [August 1, 2025] on the Redemption Date at the Redemption Price. Upon payment in full of the Refunded Bonds, the Escrow Bank shall transfer any moneys remaining in the Escrow Fund to the Agency and this Agreement shall terminate.

Section 3. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund will not be sufficient to make all payments required by Section 2 hereof, the Escrow Bank shall notify the Agency in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the Agency shall have no liability under this Agreement for any deficiency and shall not be required by the terms of this Agreement to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund, and nothing herein shall impose or imply any obligation on the part of the Escrow Bank to verify, compute, or otherwise inquire into the sufficiency of the Escrow Fund for the purposes hereof.

Section 4. Fees and Costs.

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

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

Section 5. Merger or Consolidation. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 6. Indemnity. To the maximum extent permitted by law, the Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, directors, officers, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or to indemnify the Escrow Bank's respective successors, assigns, agents and employees for their negligence or willful misconduct or to indemnify for the breach by the Escrow Bank of the terms of this Agreement. In no event shall the Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Agreement. The indemnities contained in this section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

Section 7. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the amounts deposited into the Escrow Fund to accomplish the defeasance of the Refunded Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined solely by the express provisions of this Agreement and no implied covenants or obligations shall be read against the Escrow Bank hereunder. The Escrow Bank may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion or advice of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Agency.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been

signed or presented by the proper party or parties. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

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

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

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of

security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

The Escrow Bank shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Agreement.

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

Section 8. Amendments. This Agreement is made for the benefit of the Agency and the owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Agency; provided, however, that if the Agency and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds and the Bonds will not be adversely affected thereby, they may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants) and shall hold funds received by it uninvested. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 8, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 8.

Section 9. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Refunded Bonds and relating to the exchange or transfer of the Refunded Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VI of the Prior Indenture relating to the removal, resignation and merger of the Prior Trustee under the Prior Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any removal, resignation or merger of the Escrow Bank hereunder.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 11. Execution of Counterparts; Electronic Delivery of Signatures. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Signatures appearing on any counterpart of this Agreement may be delivered by facsimile transmission or by electronic delivery in PDF format, which transmission or delivery shall be deemed delivery of an originally executed document.

Section 12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 13. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Prior Indenture.

Section 14. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Agency provided, however, that an assignment made pursuant to Section 5 hereof shall not require prior written consent.

Section 15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in which the principal office of the Escrow Bank is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement; and no interest shall accrue for the period from and after such nominal date.

Section 16. The Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively “Sanctions”). The Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Agreement, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation,, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

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

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

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

SUCCESSOR AGENCY TO THE HERCULES  
REDEVELOPMENT AGENCY

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

**SCHEDULE A**

**HERCULES REDEVELOPMENT AGENCY  
HERCULES MERGED PROJECT AREA  
TAX ALLOCATION BONDS  
[REFUNDED BOND SERIES]**

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>CUSIP</i>
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Notice is hereby given to the owners of the above-captioned and listed bonds (collectively, the "Refunded Bonds") that:

The Successor Agency to the Hercules Redevelopment Agency (the "Agency") has deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, certain monies as permitted by that Indenture of Trust dated as of \_\_\_\_\_ (the "Indenture"), by and between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Hercules Redevelopment Agency, pursuant to which the Refunded Bonds were issued, for the purpose of defeasing the Refunded Bonds. The moneys deposited with the Escrow Bank will be sufficient to redeem the Refunded Bonds on \_\_\_\_\_, 2022 at a redemption price equal to the principal amount thereof and accrued interest thereon, without premium (the "Redemption Price").

The Refunded Bonds are deemed to be paid in accordance with Section 10.01 of the Indenture and all liability of the Agency under the Indenture has ceased and been discharged except as provided in the Indenture. All obligations of the Agency under the Continuing Disclosure Agreement Dated as of \_\_\_\_\_ with respect to the Refunded Bonds have ceased and terminated.

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

Dated: \_\_\_\_\_, 2022

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

## SCHEDULE B

### CONDITIONAL NOTICE OF REDEMPTION

**HERCULES REDEVELOPMENT AGENCY  
HERCULES MERGED PROJECT AREA  
TAX ALLOCATION BONDS  
[REFUNDED BOND SERIES]**

BASE CUSIP NO. 427101

NOTICE IS HEREBY GIVEN to the owners of the above-captioned [REFUNDED BOND SERIES] that are listed below (the “Bonds”) pursuant to the Indenture of Trust (the “Indenture”), dated as of \_\_\_\_\_, by and between the Hercules Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), that the Bonds in the aggregate principal amount of \$ \_\_\_\_\_ have been called for redemption on \_\_\_\_\_, 2022 (the “Redemption Date”).

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

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

First Class/Registered/Certified  
The Bank of New York Mellon  
Global Corporate Trust  
P.O. Box 396  
East Syracuse, New York 13057

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

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

Successor Agency to the Hercules Redevelopment Agency  
**By: The Bank of New York Mellon Trust Company, N.A.**  
as Escrow Bank and Trustee  
Bondholder Communications: 800-254-2826

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the Trustee on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date

and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

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

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

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

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

DATED this \_\_\_\_ day of \_\_\_\_, 2022.

**SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY**

**TAX ALLOCATION REFUNDING  
BONDS, SERIES 2022A**

**TAX ALLOCATION REFUNDING BONDS,  
SERIES 2022B  
(FEDERALLY TAXABLE)**

**BOND PURCHASE AGREEMENT**

[Pricing Date]

Successor Agency to the  
Hercules Redevelopment Agency  
111 Civic Drive  
Hercules, California 94547

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Bond Purchase Agreement**”) with the Successor Agency to the Hercules Redevelopment Agency (the “**Successor Agency**”), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., California time, on the date hereof.

The Successor Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Successor Agency and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and the Underwriter is not acting as a financial advisor or fiduciary to the Successor Agency and has not assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Successor Agency on other matters); (iii) the only obligations the Underwriter has to the Successor Agency with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; (iv) the Successor Agency has consulted its own legal, accounting, tax, financial, municipal and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the Successor Agency; and (vi) the Underwriter has provided the Successor Agency with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Successor Agency acknowledges and represents that it has engaged Urban Futures, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Urban Futures, Inc.. with respect to the Bonds. The Successor Agency hereby acknowledges receipt from the Underwriter of disclosures required by the MSRB Rule G-17, relating to the Underwriter’s role in the transaction, the Underwriter’s compensation, conflict disclosures, if any, and complex municipal securities financing, if any.

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

1. *Purchase and Sale; Use of Proceeds.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Underwriter and the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, all (but not less than all) of the (i) \$[PARA] Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022A (the “**Series 2022A Bonds**”), at the purchase price of \$\_\_\_\_\_ being the principal amount of the Series 2021A Bonds of \$[PARA], less an Underwriter’s discount of \$\_\_\_\_\_, and plus original issue premium of \$\_\_\_\_\_, and (ii) \$[PARB] Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable) (the “**Series 2022B Bonds**” and together with the Series 2022A Bonds, the “**Bonds**”), at the purchase price of \$\_\_\_\_\_ being the principal amount of the Series 2022A Bonds of \$[PARB], less an Underwriter’s discount of \$\_\_\_\_\_, and plus original issue premium of \$\_\_\_\_\_. [The Successor Agency acknowledges that the Underwriter will on the Closing Date (as such term is defined herein), on behalf of the Successor Agency, wire a portion of the purchase price for the [Bonds] in the total amount of \$\_\_\_\_\_, as the premiums for the 2022 Insurance Policy and 2022 Reserve Policy (as such terms are defined herein), directly to \_\_\_\_\_ (the “**2022 Insurer**”).

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

The proceeds of the Series 2022A Bonds will be used by the Successor Agency to (i) refund all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005 (the “**2005 Bonds**”), all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A (the “**2007A Bonds**”), and all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (the “**2007B Bonds**”), [(ii) pay an allocable portion of the premiums for the municipal bond insurance policy to be issued by the 2022 Insurer insuring the [Bonds] (the “**2022 Insurance Policy**”) and the Municipal Bond Debt Service Reserve Insurance Policy to be issued by the 2022 Insurer guaranteeing certain payments into the Reserve Account with respect to the Bonds (the “**2022 Reserve Policy**”), and (iii) pay the costs of issuing the Series 2022A Bonds.

The proceeds of the Series 2022B Bonds will be used by the Successor Agency to refund all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable) (the “**2007 Housing Bonds**” and together with the 2005 Bonds, the 2007A Bonds, and the 2007B Bonds, the “**Prior Obligations**”), [(ii) pay an allocable portion of the premiums for the 2022 Insurance Policy and the 2022 Reserve Policy], and (iii) pay the costs of issuing the Series 2022A Bonds.

The Bonds are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Pledged Tax Revenues, as such term is defined in an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022 (the “**Indenture**”), by and between the Successor Agency and the Trustee.

Each series of Prior Obligations will be refunded pursuant to an Escrow Agreement for such series Escrow Agreements, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (collectively, the “**Escrow Agreements**”).

The Bonds were authorized to be issued by a resolution of the Successor Agency, adopted on [January 11, 2022] (the “**Successor Agency Bond Resolution**”), and a resolution of the Contra Costa Countywide Oversight Board, adopted on [January 24, 2022] (the “**Oversight Board Resolution**”).

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

3. *Official Statement.* The Successor Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Bond Purchase Agreement copies of the Official Statement relating to the Bonds, dated the date hereof (which, together with all exhibits and appendices included therein or attached thereto and with such amendments or supplements thereto which shall be approved by the Underwriter, the “**Official Statement**”). The Successor Agency authorizes the Official Statement, including the cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary Official Statement dated [POS Date] (the “**Preliminary Official Statement**”). The Successor Agency authorized distribution of the Preliminary Official Statement and preparation and distribution of a final Official Statement pursuant to a resolution adopted on [February 22], 2022 (the “**Successor Agency OS Resolution**,” together with the Successor Agency Bond Resolution, the “**Successor Agency Resolutions**”).

The Successor Agency has deemed such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”), except for information allowed to be omitted by Rule 15c2-12. The Successor Agency also agrees to deliver to the Underwriter, at the Successor Agency’s sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 and with Rule G-32 and all other applicable rules of the MSRB. The Successor Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof. Such Official Statement shall contain all information previously permitted to be omitted by Rule 15c2-12. The Underwriter agrees to give written notice to the Successor Agency of the date after which the Underwriter shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of Rule 15c2-12 which shall be no later than 25 days after the End of the Underwriting Period (as such term is hereinafter defined).

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

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

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

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

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

(d) The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to the [2022 Insurer, the 2022 Insurance Policy, the 2022 Reserve Policy,] The Depository Trust Company (“DTC”) and its book-entry system included therein and the information therein under the caption [“UNDERWRITING”]) is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City of Hercules, California (the “City”) or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The information contained in the Official Statement (excluding therefrom for any information relating to [the 2022 Insurer, the 2022 Insurance Policy, the 2022 Reserve Policy,] DTC and its book-entry system included therein and the information therein under the caption [“UNDERWRITING”]) is true and correct in all material respects, and the Official Statement does not contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

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

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

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

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

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

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

(o) Except as described in the Preliminary Official Statement and the Official Statement, neither the Successor Agency, the City nor any other related entities have failed, within the last five years, to comply in all material respects with any undertaking of the Successor Agency pursuant to Rule 15c2-12. The report of Lumesis, Inc. dated \_\_\_\_\_, 2022 identifies all of the issues for which

the Successor Agency, the City and their related entities were obligated to provide continuing disclosure under Rule 15c2-12 during the past five years and all of the material event filings that were required with respect to such issues during the five-year period.

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

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

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

(s) The Department of Finance of the State (the **“Department of Finance”**) has issued a letter dated \_\_\_\_\_, 2022 (the **“DOF Letter”**), approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. The Successor Agency has received its Finding of Completion from the Department of Finance. Except as disclosed in the Official Statement, the Successor Agency is not aware of the Department of Finance directing or having any basis to direct the Auditor-Controller of the County of Contra Costa to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency pursuant to Section 34183 of the Dissolution Act.

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

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

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

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

6. *Closing.* (a) At 8:00 A.M., on [Closing Date], or on such earlier or later time or date as may be agreed upon by the Underwriter and the Successor Agency (the “**Closing Date**”), the Successor Agency will deliver the Bonds to the Underwriter, through the book-entry system of DTC. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 7 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriter. Such delivery is herein called the “**Closing**.” On the date of the Closing, the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 of this Bond Purchase Agreement in immediately available funds to the order of the Trustee.

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

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

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

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

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

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

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

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

(iii) copies of the Escrow Agreements, duly executed and delivered by the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank;

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

(v) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director of the Successor Agency (or other duly appointed officer of the Successor Agency authorized by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by the Escrow Agreements, this Bond Purchase Agreement or the Indenture, and consummation of such transactions; (B) the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Escrow Agreements, the Indenture and this Bond Purchase Agreement; (C) no event affecting the Successor Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (D) no further consent is required to be obtained for the inclusion of the audited financial statements of the Successor Agency for the fiscal year ended [June 30, 2020], as [Appendix E] to the Official Statement; (E) the refunding of the outstanding Prior Obligations with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in §34177.5(a) of the Health and Safety Code of the State of California in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds shall not exceed the total remaining interest cost to maturity on the outstanding Prior Obligations plus the remaining principal amount of the outstanding Prior Obligations, and (ii) the principal amount of the Bonds shall not exceed the amount required to defease the outstanding Prior Obligations, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate; and (F) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

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

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

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

(C) the Successor Agency Resolutions were duly adopted at meetings of the governing body of the Successor Agency, which were called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout, and the Successor Agency Resolutions are in full force and effect and have not been modified, amended or rescinded;

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

(E) the information in the Preliminary Official Statement and the Official Statement under the captions ["INTRODUCTORY STATEMENT – The City and Agency," "– The Redevelopment Plan," "– Senior Obligations," "SECURITY FOR THE 2022 BONDS," "THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY," and "THE PROJECT AREA,"] insofar as such statements purport to summarize information with respect to the Successor Agency, the [Project Area (as defined therein)] and the Successor Agency's tax sharing and other obligations with respect to the Project Area, fairly and accurately summarizes the information presented therein; and

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

(G) Without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to the attention of the City Attorney which would lead the City Attorney to believe that the Preliminary Official Statement and the Official Statement as of their respective dates or the Closing Date (excluding therefrom the financial information and

the statistical data included thereon included in the Preliminary Official Statement and the Official Statement, as to which no opinion is expressed) contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading.

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

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

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

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

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

(D) BNY has duly authenticated the Bonds.

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

BNY with respect to, the transactions contemplated by the Indenture or the Escrow Agreements, or any other agreement, document or certificate related to such transactions;

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

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

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

(C) the statements contained in the Official Statement under the captions ["THE 2022 BONDS," "SECURITY FOR THE 2022 BONDS," "TAX MATTERS" and "APPENDIX B – SUMMARY OF THE INDENTURE"] thereto are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's opinion concerning federal tax matters relating to the Bonds;

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

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

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

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

(xiv) specimen Bonds;

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

(xvi) a certificate of an officer of RSG, Inc., as fiscal consultant (the "**Fiscal Consultant**"), dated the date of the Closing, addressed to the Successor Agency and the Underwriter, to the effect that, to the best of its knowledge, the assessed valuations and other fiscal information contained in the Official Statement, including such firm's Fiscal Consultant's Report attached thereto as [Appendix A], are presented fairly and accurately, and consenting to the use of its report as [Appendix A] to the Preliminary Official Statement and the Official Statement;

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

(xviii) a copy of the DOF Letter;

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

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

(xxi) a copy of the executed DTC Representation Letter;

[(xxii) a copy of the 2022 Insurance Policy and the 2022 Reserve Policy;]

[(xxiii) An opinion of counsel to the 2022 Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel and Underwriter’s Counsel, with respect to, among other matters, the 2022 Insurance Policy, the 2022 Reserve Policy and disclosures relating thereto in the Official Statement;]

[(xxiv) A certificate of the 2022 Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel, and Underwriter’s Counsel, with respect to, among other matters, the 2022 Insurance Policy, the 2022 Reserve Policy and disclosures relating thereto in the Official Statement;] and

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

#### 8. *Establishment of Issue Price.*

(a) The Underwriter agrees to assist the Successor Agency in establishing the issue price of the Series 2022A Bonds and shall execute and deliver to the Successor Agency at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Successor Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2022A Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Successor Agency will treat the first price at which 10% of each maturity of the Series 2022A Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Successor Agency the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2022A Bonds, the Underwriter agrees to promptly report to the Successor Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the Underwriter’s reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Successor Agency or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2022A Bonds.

(c) The Underwriter confirms that it has offered the Series 2022A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2022A Bonds for which the 10% test has not been satisfied and for which the Successor Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Successor Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2022A Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Successor Agency promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below), and

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

(ii) any selling group agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Successor Agency acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Successor Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited

to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Successor Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),
- (iii) a purchaser of any of the Series 2022A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

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

- (a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the

Governor of the State in an executive communication, affecting the tax status of the Successor Agency, its property or income, its bonds (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended, with respect to the Series 2021A Bonds;

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

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

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

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

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

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

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

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

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

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Successor Agency [or any rating of the 2022 Insurer] by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Bonds;

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

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

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

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

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

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

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

13. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the Executive Director, Successor Agency to the Hercules Redevelopment Agency, 111 Civic Drive, Hercules, California 94547, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus &

Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104  
Attention: Eileen Gallagher, Managing Director.

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

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

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

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

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

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

[Signature Page Follows on Next Page]

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

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

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

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

SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY

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

Time of Execution: \_\_\_\_\_

**EXHIBIT A**  
**MATURITY SCHEDULES**

**Series 2022A Bonds**

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

C: Priced to the first optional redemption date of August 1, 20\_\_, at par.

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

**Series 2022B Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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T: Term Bond.

C: Priced to the first optional redemption date of August 1, 20\_\_, at par.

## REDEMPTION PROVISIONS

***Optional Redemption.*** The 2022A Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022A Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The 2022B Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022B Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption.*** The 2022A Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the “2022A Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022A Term Bonds may be purchased by the Successor Agency, and (z) if some but not all of such 2022A Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

### 2022A Term Bonds of 20\_\_

*August 1*

*Principal Amount*

### 2022A Term Bonds of 20\_\_

*August 1*

*Principal Amount*

The 2022B Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the “2022B Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022B Term Bonds may be purchased by the Successor Agency, and (z) if some but not all of such 2022B Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

**2022B Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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**2022B Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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**EXHIBIT B**  
**FORM OF DISCLOSURE COUNSEL LETTER**

[To come from Stradling]

## EXHIBIT C

### FORM OF ISSUE PRICE CERTIFICATE

§[PARA]  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022A

### FORM OF ISSUE PRICE CERTIFICATE

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

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

- (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”
- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.\*\*]

## 2. **Defined Terms.**

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

- 3. **Arbitrage Yield.** We have calculated the arbitrage yield with respect to the Bonds to be 2.6381% in accordance with the following instructions provided by Bond Counsel; such calculation is

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

4. ***[Credit Enhancement.***

- (a) *The present value of the amount paid to obtain the Credit Enhancement (as defined in the Tax Certificate) is less than the present value of the interest reasonably expected to be saved as a result of having the Credit Enhancement, using the yield with respect to the Bonds as the discount factor for this purpose.*
- (b) *To the best knowledge of the undersigned, the amount paid by the Issuer to the Insurer (as defined in the Tax Certificate) for the Credit Enhancement is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the Bonds.]*

3.5. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
Managing Director

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

Dated: [Closing Date]

SCHEDULE A  
TO  
ISSUE PRICE CERTIFICATE

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

Actual Sales Information as of Closing Date

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

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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[\*\*SCHEDULE B  
TO  
ISSUE PRICE CERTIFICATE

Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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[\*\*SCHEDULE C  
TO  
ISSUE PRICE CERTIFICATE

**SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER**

**\$(PARA)  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022A**

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

1. ***Issue Price.***

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

2. ***Defined Terms.***

- (a) “*Issuer*” means the Successor Agency to the Hercules Redevelopment Agency.
  - (b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
  - (c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
  - (d) “*Underwriter*” means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and

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

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
[Title]

Dated:

## CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Hercules Redevelopment Agency (the “Successor Agency”) in connection with the execution and delivery of the Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022A, issued in the initial aggregate principal amount of \$\_\_\_\_\_, and the Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable), issued in the initial aggregate principal amount of \$\_\_\_\_\_, (collectively, the “Bonds”). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Indenture”).

The Successor Agency covenants and agrees as follows:

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

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

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means each March 31, commencing March 31, 20\_\_\_\_, or the date that is nine months after the end of the Successor Agency’s fiscal year if the Successor Agency’s fiscal year is changed (the Successor Agency’s fiscal year currently ends June 30).

“*Dissemination Agent*” means Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 20\_\_ with the report for the \_\_\_\_ fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner and in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency

for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Description of issuance by the Successor Agency of any debt payable from or secured by a pledge of Pledged Tax Revenues in the Project Area (as defined in the Official Statement) in the most recently completed fiscal year only (including details as to date, amount, term, rating, insurance).

(ii) The assessed value of property in the Project Area for the current fiscal year only in the form of Table \_\_\_ in the Official Statement.

(iii) The ten largest property taxpayers in the Project Area for the current fiscal year only in the form of Table \_\_\_ to the Official Statement.

(iv) The land use statistics of the Project Area for the current fiscal year only in the form of Table \_\_\_ to the Official Statement.

(v) The coverage ratio provided by Pledged Tax Revenues in the Project Area with respect to debt service on the Bonds and any Parity Debt for the current fiscal year only, in the form of Table \_\_\_ in the Official Statement without any requirement to update any projected Pledged Tax Revenues set forth in Table \_\_\_.

(vi) [If the County has rescinded the Teeter Plan with respect to the Successor Agency's Pledged Tax Revenues, a statement to that effect.]

(vii) [The outstanding amounts due under each of the Prior Agreements.]

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS

Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency, or the sale of all or substantially all of the assets of the Successor Agency (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the Successor Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Successor Agency, any of which affect Bond holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Successor Agency, any of which reflect financial difficulties.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)15 of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence

of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

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

(e) For purposes of the events identified in paragraphs (a)(15) and (a)(16) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days’ written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

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

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time

of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Dated: \_\_\_\_, 2022

SUCCESSOR AGENCY TO THE HERUCLES  
REDEVELOPMENT AGENCY

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

AGREED AND ACCEPTED:

URBAN FUTURES, INC.,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Successor Agency to the Hercules Redevelopment Agency

Name of Issue: Successor Agency to the Hercules Redevelopment Agency  
Tax Allocation Refunding Bonds, Series 2022A

Successor Agency to the Hercules Redevelopment Agency  
Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable)

Date of Issuance: \_\_\_\_\_, 2022

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee. The Successor Agency anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

DISSEMINATION AGENT:

URBAN FUTURES, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_



**STAFF REPORT OF THE SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY**

**DATE:** January 24, 2022

**TO:** Contra Costa County Countywide Oversight Board

**FROM:** Edwin Gato, Finance Director, City of Hercules

**SUBJECT:** Adopt a Resolution Approving the Issuance and Sale of Tax Allocation Refunding Bonds by the Successor Agency to the Hercules Redevelopment Agency and Authorizing Certain Other Actions in Connection Therewith

**RECOMMENDED ACTION:**

It is recommended the Contra Costa County Countywide Oversight Board adopt the attached Countywide Oversight Board Resolution approving the issuance and sale of tax allocation refunding bonds by the Successor Agency to the Hercules Redevelopment Agency and authorizing certain other actions in connection therewith.

**DISCUSSION:**

The Hercules Redevelopment Agency (the "Former Agency") previously issued four series of Hercules Merged Project Area Tax Allocation Bonds (the "Prior Obligations"). As summarized in the table below, \$90.65 million of the Prior Obligations remain outstanding, all of which are callable on any date.

Outstanding Successor Agency Tax Allocation Bonds				
Bond Issue	Original Par	Outstanding Par	Final Maturity	Average Coupon
TABs, Series 2005	56,260,000	29,115,000	8/1/2035	4.96%
TABs, Series 2007 A	60,555,000	46,405,000	8/1/2042	4.74%
Housing TABs, Series 2007A (Taxable)	13,130,000	8,455,000	8/1/2033	6.12%
Housing TABs, Series 2007B	12,760,000	6,675,000	8/1/2033	4.94%
	\$ 142,705,000	\$ 90,650,000		4.88%

Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refinance outstanding debt obligations to produce debt service savings. A successor agency is generally not permitted to issue bonds that would increase the overall indebtedness of the successor agency or provide additional

proceeds to be expended, but it can issue bonds to refund prior debt obligations and effectuate debt service savings.

On January 11, 2022, the Successor Agency to the Hercules Redevelopment Agency (the “Successor Agency”) adopted the Successor Agency Resolution attached hereto as Attachment 2 approving documents and actions needed to authorize the issuance and sale of Successor Agency to the Hercules Redevelopment Agency 2022 Tax Allocation Refunding Bonds (the “2022 Bonds”), including the form of certain financing documents attached hereto as Attachments 4, 5, 6, and 7. The Countywide Oversight Board is being asked to approve the issuance of refunding bonds by the Successor Agency to refund the Prior Obligations for debt service savings.

If approved by the Countywide Oversight Board, then the Board’s action, including the Oversight Board Resolution and the other materials submitted by the Successor Agency herewith, will be subject to approval by the California Department of Finance (“DOF”). DOF has up to 65 days to review the transaction. Because the impact of the refunding would be to reduce the interest costs associated with the Prior Obligations, it is anticipated that DOF will not object to this action.

#### **FISCAL IMPACT OF RECOMMENDATION:**

As illustrated in the Municipal Advisor’s Savings Memorandum attached hereto as Attachment 3, the issuance of the 2022 Bonds is estimated to result in debt service savings of approximately \$25.1 million and Net Present Value savings of approximately \$17.8 million, or 19.6% of refunded par. Savings would be distributed among various taxing entities.

These estimates are based on market conditions as of December 21, 2021, as prepared by Stifel, Nicolaus & Company, Incorporated, as Underwriter, and reviewed by Urban Futures, Inc., as Municipal Advisor. Additionally, these estimates are based on a proportional savings structure, among other assumptions; the Successor Agency may select an alternative structure for the 2022 Bonds and other assumptions may be adjusted, which would change the results. Final savings achieved from the refunding will not be determined until the sale of the 2022 Bonds (currently estimated to be in April 2022).

#### **ATTACHMENTS:**

1. Countywide Oversight Board Resolution
2. Successor Agency Resolution
3. Municipal Advisor’s Savings Memorandum
4. Indenture of Trust
5. Form of Escrow Agreement
6. Bond Purchase Agreement
7. Continuing Disclosure Certificate



## COUNTYWIDE OVERSIGHT BOARD OF CONTRA COSTA COUNTY

TO: COUNTYWIDE OVERSIGHT BOARD  
FROM: Maureen Toms, Oversight Board Secretary  
DATE: 01/24/2022  
SUBJECT: Successor Agency Assets  
AGENDA ITEM: D.1

### Recommendation(s)

**RECEIVE** Report on the status of assets held by Successor Agencies in Contra Costa County.

### Background

Long Range Property Management Plans (LRPMP) were prepared by Successor Agencies to outline the disposition and use of real properties of the former redevelopment agency. Housing assets were not included in the LRPMP. The LRPMPs were prepared within six months of a Successor Agency's finding of completion from the Department of Finance. The LRPMP were required to be submitted to the Department of Finance by January 1, 2016.

On September 27, 2021, the Countywide Oversight Board requested a report of the properties still held by the Successor Agencies in Contra Costa County. Following is a list of properties reported by the various Successor Agencies that have not yet been disposed of:

Successor Agency	Parcel Number	Address	Lot size SF/acres	Property Type	Permissible Use	Carrying Value
Antioch	166-051-001	F Street, west of Antioch monument	3,500/ 0.08	vacant	retail, office (RTC-Rivertown Retail District)	\$27,286
	166-051-002	500 W. Second Street	5,000/ 0.114			\$38,985
	066-092-014	W. Second Street	2,5020/ 0.057			\$30,222
Brentwood	017-160-004	1000 Central Blvd (Former proposed Police Dept. Site)	158,558/3.64		Downtown Specific Plan (DSP)	
	016-010-016	7030 Brentwood Blvd- former Los Mexicanos Market	91,912/2.11	Commercial building	BBSP General Commercial	
	013-232-006	SE Corner at Oak and Walnut	80,150/1.84		Downtown Specific Plan (DSP)	
	010-160-033	400 Guthrie Lane (Former CD Site)	54,014/1.24		PD-12	

	No APN	2nd & Central (next to Avery at Town Center Apts)	21,780/0.5		Right of Way	
Clayton	none					
Concord	none					
El Cerrito	none					
Hercules	none					
Lafayette	none					
Oakley	Diamond Hills Land					\$1,150,551
	Live Oak Ave (Grantor)					\$1
	037-050-013	037-050-013				\$438,137
	037-050-014	5400 Neroly Road				\$1,410,000
	037-160-027	3330 Main Street-Pompei				\$627,023
Pinole	401-142-011	612 Tennent Ave., Pinole	5000/0.1148	Condominium		\$500,000
	402-230-020	San Pablo Ave.	235,790/5.4	Vacant lot	Office Industrial Mixed Use	\$3,078,000
	401-162-001	2301 San Pablo Ave., Pinole	7860/0.1804	Vacant lot		\$255,656
Pittsburg		610 Railroad Ave., Pittsburg	10,000/.28	Commercial	Commercial/ Mixed-Use	\$1.8 million (1/9/20 appraisal)
Pleasant Hill	none					
Richmond	514-050-010	Nevin Ave.	67,518/1.5	Vacant	Commercial/ Mixed Use	
San Pablo	420-120-012	3400 San Pablo Dam Road, San Pablo	25,265/.58	Vacant	Commercial	\$1.1 Million
Contra Costa	148-221-030	Oak Rd./100 Coggins Drive, Pleasant Hill	3,920/.09	Vacant right-of-way	Vacant right-of-way	\$8,501

Note that not all requested information was provided by Successor Agencies prior to report publication.

#### Attachments

*No file(s) attached.*